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FAR EASTERN
ECONOMIC REVIEW

Vol. XV Hongkong, September 24, 1953 No. 13

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PEKING'S SURVEY OF CONDITIONS IN CHINA

The recent session in Peking of the Central People's Government Council reflected the ebb and flow of China's fortunes this very difficult year. It received, on the one hand, a voluminous report by the Commander of the People's Volunteers in Korea. This was indeed about the only comfort the hundreds of high officials received, and the self-satisfaction and pride derived from the transformation of the army from the contemptible ragtag and bobtail of the Tuchun era to its proven quality in Korea must have been modified by stronger doubts than ever as to the wisdom of Chinese armed intervention, which has cost the country so dearly and returned such poor value for all the money it cost. The only other comfort, too, must have been attended with reservations. It was Li Fu-chun's announcement of a new agreement with the Kremlin. In the course of a long and dispiriting survey of a year of natural disasters and great disappointments in State industry and commerce by the Chairman of Financial and Economic Affairs, Vice-Premier Chen Yun, had laid a gloomy setting calculated to improve the reception of the new economic agreement with the Soviet Union.

This provides for Russian aid in the reconstruction of old, and the building of new, industries in the North-east and perhaps in North China also. Many of these projects were part of the much-vaunted National Five Year Plan. This had to be cut down again and again until finally it ceased to take on the semblance of a true national plan and became little more than a Sino-Soviet "reparations" undertaking with additional industries, designed to make China responsible for her own defence equipment hereafter. This will enable the Kremlin to avoid possibly grave consequences of her present role of supplier-in-chief of fighters, bombers, tanks, artillery and a variety of other war equipment turned to good use in the war against the UN in Korea.

China has been forced not only to abandon her own more grandiose concept but to bind herself to a five-year period of economic and political co-operation with the Soviet Union "in the interests of the joint struggle for the cause of world peace." The agreement evoked from Chairman Mao Tse-tung a far less laconic message of gratitude than has been usual in exchanges between the two countries on special and formal occasions in the last two years. In his cable to Mr. Malenkov, the Chinese leader told him of the gratification with which the Government Council heard the report made by Vice-Chairman Li Fu-chun on the negotiations with the Soviet Government for aid in China's economic construction. "It is the consensus of opinion of the Government Council," he said impersonally, "that since the great Soviet Government has agreed to extend systematic economic and technical aid in the construction and renovation of 91 new enterprises of China and to the 50 enterprises now being built or renovated the Chinese people, who are striving to learn from the advanced experience and the latest technical achievements of the Soviet Union, will be able to build up step by step their own mighty heavy industry."

Mao Tse-tung's message went on to say that this will play an extremely significant role in the industrialisation of China, in helping her in her transition by stages to Socialism, and in strengthening the camp of peace and democracy headed by the Soviet Union. The two States, he said, had settled in one single negotiation the question of the construction of the 91 enterprises and the question of long-term aid. He quoted Stalin on how generous the Soviet Union has been in these matters, and disclosed that the Soviet Government had virtually dictated what was to be done in Chinese construction. The Soviet Government, said Mao Tse-tung, had put forward various proposals in principle and in the concrete concerning the task

of China's five-year plan. "These proposals will help us avoid, as much as possible, committing errors and to reduce the twists and turns in the course of China's economic construction." He offered his thanks for this "great, overall, long-term and disinterested aid."

The Chairman of the Financial and Economic Affairs Committee (Vice-Premier Chen Yun) tried to put as bright a face as possible on what was in truth a very bad half-year. He told the Central People's Government Council that 1953 was the first year in which China enters into planned construction. In industrial output five of the Ministries of Industries over-fulfilled the first half year's target by one per cent only. The output plan was exceeded in only ten out of the 20 principal products. Industrial output of privately operated enterprises, he admitted, had a considerable increase. According to statistics for several major cities, including Shanghai, Tientsin, and Chungking, production of private industries is on an upward trend. They exceeded the levels for the same period of last year and of the year before that.

After this tribute to private enterprise, which underlines the severe and sustained criticism of the State-owned and operated industries and enterprises, Mr. Chen Yun made a veiled reference to the natural disasters which have plagued the countryside and food production this year, merely saying that "some areas suffered from unfavourable natural conditions." He declared that in the majority of areas conditions have been good. Railway and river transport had exceeded the target and "domestic trade was brisk in various parts of the country." There is reason to believe that in various other and more numerous parts of the country, it was not.

There was development in both public and private operated enterprises, and a state in which "slack seasons are not slack" had emerged. Business operations in many areas exceeded the level for the corresponding period of 1951 (not 1952).

In foreign trade 52% of the whole year's export plan was achieved while the original import plan was nearly completed. "All this indicates," he said, "that the economic conditions of the whole of China were stable and on an ascending scale." He also made an analysis of the shortcomings and errors in the financial and economic work, of which the official papers have been complaining bitterly and vehemently for months past. The best he could say about it was that "in the main, this work was satisfactory."

The campaign to increase production and practice economy is not only a work for which major efforts will be made in the remaining four months of the year, but will be a long-term task in the future, he said. Discussing the question of the people's livelihood, Chen Yun asserted that there has been an improvement in the life of the people in urban and rural districts during the past few years. Employment has increased among office employees and workers. Wages have been raised and welfare undertakings improved. In the villages, the life of the peasantry has been improving, following land reform and with the State purchase of agricultural produce at reasonable prices, and the issue of 10,000,000 million yuan of agricultural loans. Further improvement of living standards must be on the basis of developing production. But unrelaxed efforts over a long period are still necessary before they can be thoroughly improved. The completion of industrialization is thus "the most important guarantee of the people's well-being."

PROBLEMS OF THE MALAYAN TIN INDUSTRY

After a brief 18 months of unlooked for prosperity, Malaya's tin industry, a vital factor in the economy of the country, has reached the lowest ebb since the Japanese occupation. Mines are closing down, staff are being dismissed and thousands of miners are living on a hand to mouth basis.

Yet serious as the position is it is not all gloom. Miners who have suffered similar setbacks before are philosophically inclined to think that if they can only keep their companies alive long enough the price of tin, which has now reached rock bottom, will recover. They have little to base their hopes on except the unfortunate truism that the price of tin never remains static, but in other quarters there are signs that in this crisis help may come to the industry which will enable it to weather the storm without causing too great a disruption in the life of the country or receiving a blow which will retard the health of the industry for years to come.

In the international sphere there is some hope. Malayan producers have indicated that they would welcome a buffer stock agreement to stabilise the price of tin. Locally the Federation Government is known to be considering proposals for the granting of loans to the industry to tide it over the period until the buffer stock becomes an actuality. At the time of writing there is no indication that either of these proposals will ever get beyond the talking stage but they point to the concern felt here and overseas at the misfortunes of an industry constantly beset by varied demands for its product. Because of this the industry has never been able to plan ahead in the knowledge that a reasonable income can be expected in the near future.

The history of the industry since the liberation has been one of skill and hard work which has not always met with the fortune it deserved.

The end of the Japanese occupation found many mines suffering from months of misuse and neglect, the remaining few in operation producing negligible quantities of tin. Equipment was missing, labour dispersed and in particular the European dredges were in a sorry state. Some had been dismantled

for scrap, others wrecked either deliberately or through misuse and ill-usage.

Rehabilitation was as speedy as supplies permitted and it is a credit to the industry that by the end of 1946 there were 18 European dredges in production and 102 Chinese gravel pump mines. A year later progress was even more marked; there were 56 dredges working while the number of gravel pumps had trebled. It is true to say that the industry worked miracles in this period of intense effort and by the end of 1951, when the price was high and there was every incentive for expansion, there were 83 dredges working and 560 gravel pump mines.

That year saw 740 mines at work throughout the Federation of Malaya, hydraulic, open cast and underground mines making their small contribution to the main total. One hundred and twenty of the mines were European owned and 619 Chinese owned, though the European mines produced three-fifths of the total production.

The activity was reflected in a rising production. At the end of 1946 the dredges had produced during the year a total of 2,068 tons and the gravel pump mines 2,708. Chinese dulang washers, who scrape a living from the waste left by the mines, produced 2,143 tons while the other minor methods of mining helped towards a total production for the Federation of Malaya of 8,432 tons. The end of the following year saw production soaring as the rehabilitated mines increased their output, 12,826 tons being produced by the dredges and 7,988 by Chinese gravel pump mines. The total production for the year was 27,026 tons.

The increasing numbers of mines in production and greater efficiency resulted in a peak output in 1951 of 57,167 tons—roughly half the world's requirement of tin.

This marked expansion, pushed forward against the difficulties of obtaining supplied and maintained despite the outbreak of Communist terrorism, which was officially recognised in the middle of 1948, did not at first meet with the financial returns it deserved. There were no quick profits in the industry in the early post-war years and many, burdened by the expense of rehabilitation, were hard put to maintain their position.

In 1947 the average price of tin was £427 a ton, the official maximum price in London, and in 1948 it rose to £551 a ton, still pegged to the official price. November of the following year saw the end of official price control and the opening of the Singapore tin market. In London the price rose to an average of £605 and the Singapore market in its first two months of operation recorded an average of $294 (Malayan) a picul.

The Korean war and the panic buying of tin for stockpiling purposes rocketted the price during 1951 to an average of $526 a picul, though on numerous occasions the actual tin price was far above the yearly average. It brought unexpected prosperity to the industry. The prosperous trend continued during 1952 so that by the end of the year the average was $480 a picul, though the last few months provided unmistakable signs that the period of "gold mining" was over.

To the Federation Government the industry has always been one of the mainstays of the country's economy and with the outbreak of terrorism in 1948 and the vast sums of money needed to meet this attack on the Government and the people, the industry's substantial contribution to public revenue attained more than usual importance. In 1947 duty collected totalled $13,434,523. In 1951 the sliding scale of duty, which rose with the tin price, netted $76,244,883 for Treasury and in the following year $70,000,000.

Until the end of last year the figures were more than encouraging, rising production and a price for the commodity which was bringing unhoped for prosperity. Visitors remembered the lavish dinner parties, the carefree expenditure of less prudent mine owners and forgot in many cases that this had been achieved in the face of great odds. Communist terrorism made a particular target of the mining industry and from the beginning of the declaration of the emergency, in the middle of 1948, when the Communists took to the jungle and became a militant terrorist organisation, did all in their power to bring mining to a standstill. Labourers were intimidated, often cruelly put to death, managers and key personnel were attacked and ambushed. Outright attacks on mines became a frequent occurrence and it was only through considerable personal courage of the managers and their assistants that the mines continued to operate at all. All were compelled by circumstances to carry arms and the deaths of many testify to the danger they faced daily.

The Communist attack also involved mining companies in heavy expense for defence and in the employment of guards for their properties. Later they had to meet the additional expense of rehousing their staff in "grouped areas" where they could be more easily defended and prevented from succumbing to extortion and intimidation.

The Korean peace talks and the slackening demand for tin in a matter of months put the industry in an unenviable position. At the beginning of this year the Singapore market price for tin was $470 a picul but at the beginning of August it had dropped to below $300. During the month it made a shaky recovery and is now about $310 a picul but shows no signs of a worthwhile improvement.

Government revenue through duty has fallen from $6,122,044 in January to $3,800,259 in July, giving a provisional total for the first half of the year of about $30,000,000. It is expected that the second half of the year will show a drastic reduction. To date there has been no marked decrease in production but 54 Chinese gravel pump mines have closed down and there is little doubt that others will follow if there is not an improvement in

the price of the commodity. The labour force employed on the mines has dropped from 44,659 at the end of last year to 39,390 in June this year. The changes in circumstances and local conditions mask many of the real difficulties which lie behind these figures, which do not outwardly appear alarming. Chinese mine owners in particular, whose labourers are organised into kongsis and who carry the traditional family principle into business, are reluctant to close down when their account books first show that continued production is uneconomic. A large number have used the money they banked during the boom period to keep their mines open and their labourers at work, others have tried profit sharing and similar schemes to encourage a better output and economy. There is also the perennial hope that the price of the commodity will improve.

Again, while the tin price of $300 a picul would not have been catastrophic in 1949, today it is below the level at which mining can be profitably continued by many companies. Since 1949 the cost of living has shown a marked increase. Wages are higher, for the prices of consumer goods have not fallen with the prices of tin and rubber. It is far more expensive to live and work in the Federation today and mining costs have had to be adjusted.

The emergency has also had its effect on tin mining, apart from piling on costs for defensive measures. For five years prospecting of new land for tin has been at a standstill. It has been far too dangerous for teams to live for weeks on end in remote parts of the country and in jungle areas boring for tin and in very few cases has the Government been able to guarantee security for prospectors.

This has resulted in many companies being faced with the problem of either working out low bearing areas or stopping work altogether. At least two dredges have closed down because there is no more work for them in the immediate area.

Miners have also complained of a lack of encouragement from the nine State Governments, which make the Federation of Malaya. It is not unusual for a delay of two years to elapse between applying for a lease to mine land and permission being granted or refused. They also allege that prospecting has not been encouraged in areas which are now free of terrorist activity and which are believed to contain substantial quantities of ore.

For the miners troubles have not come singly. They now face a series of difficulties which were either not present or not immediately serious 18 months ago. But there is now no doubt of the Federation Government's concern, which is found on a healthy respect for the revenue obtained directly from the industry and the grave consequences of a collapse to scores of minor industries which depend on mining for a livelihood.

International interest in the difficulties of the producers was shown at a recent meeting of the Tin Study Group when America announced the end of stockpiling of tin and the problem of the "burdensome surplus" became very real indeed. The countries concerned were asked to consider whether a United Nations tin conference should be reconvened to consider the formation of a buffer stock which would absorb tin during a period of low prices and release it when it became apparent that the price was rising beyond a reasonable limit. Malayan producers have stated that they are in agreement with the re-convening of the conference in keeping with most other producing countries.

No announcement has been made about whether this conference will meet again or not at the time of writing, but the attitude of America will play a big part. Without the cooperation of America, the main buyer of Malayan tin, another conference would be to no purpose. This is still in doubt but producers are hopeful that their fight against communism will be taken into account when the matter is considered.

One of the only pleasing aspects of the fall in the price of tin to the present level is that it has refuted, in a manner which could not be bettered, the allegations made by Senators in Washington that a "tin cartel" in Singapore, made up of producers and dealers, was holding the official American purchasing agencies to "ransom" by forcing up prices. This was of course nothing more than an unoriginal fantasy but the charges were never officially denied in the United States and there is no doubt that the impression has remained in some American minds that these charges were true. The Singapore market has been entirely free, obeying only the laws of supply and demand, and that was the sole reason for the increase of price during 1950 and 1951.

At home the producers have put forward several schemes to the Federation Government for loans to aid the tin mines during the present period and until a buffer stock scheme (if approved) becomes operative. The Government is also believed to have a scheme for aiding the industry of its own.

Linked with this, in the thoughts of miners, is the promise of the British Government to aid Malaya financially during the economic difficulties which followed the fall in revenue from tin and rubber. It is thought that this may well take the form of financing loans to tin mines, a task which the Federation Government will find difficult at the present time as this year's budget will show a heavy deficit and next year's budget is expected to tell the same sorry tale. The Government will be looking for loans to help balance its own budget, inflated by the cost of the emergency.

It is probable therefore that it will take some time for the Government to announce plans for aiding the industry for it is one of the features of the British Government's offer that Malaya must first make all possible economies and increase revenue by every means possible before asking the British Government to carry out its promise.

Although question marks must bracket the Malayan and the world schemes for helping the tin producing industry, they do offer hope for the

UNITED KINGDOM TRADE IN FIRST HALF OF 1953

United Kingdom exports in the first half of 1953 averaged £209 million monthly compared with monthly averages of £213 million in the fourth quarter of 1952 and £215 million in 1952 as a whole. Announcing this, the Board of Trade states that the volume of exports, though five per cent lower than in the first half of 1952, was five per cent higher than in the second half of last year.

An encouraging feature of the figures for the second quarter of 1953 has been the high level of exports to North America; the total of £29.5 million a month was greater than in any previous quarter and represented 14 per cent of all United Kingdom exports.

Imports for the first half of 1953 averaged £282 million a month, compared with £263 million in the previous six months. This increase was due to some extent to seasonal increases in arrivals of certain kinds of food and also to more imports of raw materials, especially raw wool, to meet the demands of rising production and the need for replenishing stocks.

Taking re-exports into account (£9 million a month) the trade "gap" represented by the excess of imports over exports, was £64 million a month compared with £50 million in the second half of 1952 and £77 million in the first half.

Between the first and second halves of 1952 there was a large drop in imports from the non-sterling area while the decline in exports was comparatively light. In the first half of 1953 both imports and exports continued at levels not very different from those of the previous half-year.

The excess of imports over total exports for the non-sterling area was reduced from £74 million a month in the first half of 1952, when it accounted for nearly all the United Kingdom's trade deficit, to £26 million in the second half of the year. This deficit increased to £33 million a month in the first half of 1953, when it represented slightly more than half the total.

Imports from the dollar area, after falling away in the second half of 1952, again declined by a further one per cent in the first half of 1953, but exports to these countries have steadily increased. Similar tendencies are shown in the figures for trade with O.E.E.C. countries. With the rest of the non-sterling world, however, while imports have increased substantially in the first half of this year, exports have further declined from the low level reached in the second half of 1952; particularly those to Brazil, Egypt, Finland, Argentine and the U.S.S.R., several of whom are handicapped by a shortage of sterling and have accordingly intensified restrictions on their imports.

The increase in United Kingdom exports to the dollar area between two halves of 1952 was continued in the first half of 1953 and there were substantial rises in exports of metals and engineering products in April, May and June. These resulted mainly from a seasonal recovery in exports to Canada of iron and steel and manufactures, machine tools and passenger cars. Exports of textiles and clothing to the dollar area which increased by 17 per cent between the two halves of 1952, showed a further rise of eight per cent in the first half of 1953, due primarily to a rise in exports of woollen and worsted yarns and manufactures to the United States in April, May and June. Re-exports to the dollar area, which were at the high level of £4 million a month in the first half of last year, due to exceptional shipments of rubber and tin to the United States, declined to a rate of £2 million in the second half of 1952 and £1.5 million in the first half of 1953.

The trends in trade with the sterling area have been the opposite of those shown for non-sterling countries. Imports were maintained last year but have increased in the first half of this year much more than have exports, which had been seriously reduced in the second half of 1952. As a result of these movements the trade deficit with the sterling area increased from £2 million a month in the first half of last year to £24 million in the second half, and again to £31 million a month in the first half of 1953.

United Kingdom exports to the sterling area which, in the second half of 1952 had declined by £21 million a month to 18 per cent below the high level of the first half, recovered in the first half of 1953 by five per cent to £5 million a month above the level of the previous six months.

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future and if the buffer stock scheme is agreed at this time of crisis it may well mean a period of steady prosperity for the industry in the years to come.

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NOTES OF THE WEEK

FAR EASTERN ECONOMIC SITUATION

A substantial increase in rice production, a slow and not untroubled advance in industrial production, and an improvement in the balance of trade were the main factors of East Asian economic developments as reported by the United Nations Economic Commission for Asia and the Far East in its Quarterly Bulletin, covering the period up to March 1953.

Within the region (excluding mainland China) production of rice in 1952/1953 increased by 7%. Asian rice production exceeded the prewar level (by 5%). The expansion in rice output was sufficiently large to raise total cereal production despite a decline in wheat output. The gain in the region's food grain production was still higher if account is taken of the production reported from mainland China.

Reliable statistics on food grain stocks within the region are not available, but it seems that except in Ceylon, Malaya and Pakistan food grain stocks at the end of 1951/1952 were larger than in the previous year. In 1952/1953 the increase in the region's food grain production was larger than the rate of population growth. As a result the per capita supply of cereals showed a fair increase. Higher net imports contributed to this improvement—as they did in 1951/1952; but in contrast to the preceding year the increase in output was decisive. Cereal supplies per head are still below pre-war. The East Asian peoples would still receive some 10% less in cereal supplies per head than before the war.

Reasons for the increase in rice production—which accounts for about two-thirds of the region's total production of cereals—were favourable weather, higher relative prices of rice (compared to commercial crops), which stimulated an extension of the area under cultivation, and agricultural development programmes which have begun to show results in some deficit countries.

Export surpluses were larger in 1953 than in 1952 in Burma, Indochina, China and Thailand, while import needs of Ceylon, India, Indonesia and the Philippines were smaller. Official rice prices in government to government contracts have increased, though free market prices in 1953 dropped slightly, due to the improved production position.

Mainland China has emerged as an exporter of rice to countries of the region including India, Ceylon and Hongkong. Its net exports to the region increased from 103,000 tons in 1951 to 150,000 tons in 1952. Exports should increase still further in 1953, since mainland China has agreed to supply Ceylon with 270,000 tons of rice annually.

Since mid-1952 the price of tea has recovered. By March it reached the pre-Korean war level. Exports have increased, too. The improvement in price has been due, in part, to the decision of Indian producers to cut production by 8% through finer plucking.

Output of oil seeds was higher than before the war, but the growth of production slowed down in 1952/1953 under the depressive influence of lower prices. Exports are still below pre-war; they were declining in 1952, particularly in the Philippines and Indonesia.

With the exception of coconut oil, the prices of the region's principal agricultural raw materials (cotton, jute, other vegetable fibres, rubber) were in Spring 1953 below the level at the time of the outbreak of the Korean war. From early 1951 to Autumn 1952 these prices fell more or less steadily, and in the subsequent months there was a slight recovery, but only coconut oil made a sharp and sustained recovery.

Industrial production in the region—heavily concentrated in Japan, India and China—increased during the period under review. The expansion was rapid in mainland China, where it was promoted by a high rate of public investment. In the other two countries low export demand and uncertainties in markets of particular goods acted as a brake on the output of various industries but did not prevent an advance in total production. Industrial growth also continued in the smaller and industrially less highly developed countries.

Industrial production in Japan increased slowly under the influence of an expanding demand. At the end of the first quarter of 1953 aggregate output reached a new peak; in March 1953 the index was 154 as against 135 in March 1952 (1934-36=100). Industries making consumer goods showed a greater expansion over this period than investment goods industries. Foreign demand including procurement contracts declined in 1952, but the expanding home market made up for this decline. The increase in domestic demand in 1952 was due to higher consumer outlays, which increased by 18.5 per cent, and to larger government purchases of goods and services which increased by 22.5 per cent. This rise in personal expenditure and in government outlays was sufficiently strong to offset the fall in domestic investment in inventories. In the first quarter of 1953 foreign demand declined further although special procurement contracts were higher. Home demand remained strong, and at least one of its components—viz. government purchases—should increase as the 1953/1954 budget proposals are more expansionary than last year's budget. The high level of demand was reflected in a reduction of manufacturers' stocks. The index of the ratio of stocks to output which had increased from 93 in December 1951 to 118 in May 1952 was 95 in December and 79 in March 1953 (1934-1948=100).

Another noteworthy feature in Japan is the rise in labour productivity; while employment in manufacturing declined slightly between mid-1952 and the spring of 1953, output expanded. The rise in labour productivity was particularly marked in the textile industries (especially spinning). Money costs of production, however, have not fallen to the same extent (because of the rise in money wages) and the competitive position of Japanese industries in world markets remains a serious problem. The high price of coal is a particular handicap, and efforts are being made to bring it down by the rationalisation of coal extraction. It is also planned to sink 73 new shafts in the course of the next five years.

In India industrial production, which had slowed down in the second quarter of 1952, picked up again in the subsequent months. The higher level reached in the last quarter of the year was fairly well maintained in the first three months of 1953. A number of industries recorded declines however, notably those largely dependent on exports (jute manufacturing) as well as some industries producing capital goods e.g. diesel engines or machine tools. Imports of capital goods also showed a fall during the period March 1952 to March 1953, and it seems that not only inventory purchases but also private investment in plant and equipment has in some fields been adversely affected by uncertainties in the trading outlook. Lack of growth in final consumer purchases and stickiness of costs in the face of declining prices of finished manufactures have made for greater caution in private investment decisions. On the other hand, improvements in raw materials supply continue to stimulate industries which in previous years were held back by shortages. Textile industries bene-

fited from relaxations of control over distribution and prices, and the expanding public investment during 1952/1953 generally had a stimulating influence.

In China, the index of industrial production in the mainland calculated on the basis of the output of 35 major industrial products increased rapidly in 1952 when it reached 126 per cent of the pre-1949 peak, as compared with 56 per cent in 1949. Coal mining was one of the few industries where production was still below the level of the base period. The rate of increase over a number of years was higher for investment goods than for consumer goods; it was particularly high in the iron and steel industry.

Industrial production in Taiwan in 1952 was considerably larger than in 1951 and this increase continued through the first quarter of 1953. New plant and equipment was installed especially in the power, fertilizer and textile industries. Furthermore, encouraged by the government there had been an inflow of investment funds from overseas Chinese.

In Pakistan production advanced particularly in the cotton and jute industries. Resulting from additions to capacities during 1952 the jute mills in Pakistan can now satisfy the internal requirements of the country and towards the end of the year should have a surplus for export. In the cotton industry additions to plant and equipment should bring the total spindleage by the end of 1953 to 1.08 million as compared with about 400,000 at the end of 1952. Considering the additional orders that have been placed, the total spindleage should increase further to 1.13 million by the end of 1954.

Production of electricity increased slightly throughout East Asia but demand for power continues to outstrip the provision of additional generating capacity. Many of the countries continue to suffer from shortage of electricity, and severe curtailments of supply frequently occur during peak periods of demand, as well as during the period when the flow of water at the hydro sites lessens. Except in the case of mainland China, India, Japan and Malaya, there has not been any marked increase in the generating capacity. There are many hydro-electric schemes in the region but few of them have so far been completed. It is reported that some of the schemes have been slowed down due to general financial stringency. Nor has there been much increase in the production of power from the existing power plants which since the termination of World War II have generally been operated at full capacity.

The fall in the total volume of exports from the region continued from mid-1952 to the spring of 1953, but the rate of decline was much slower than in the first half of 1952. On the other hand, total imports of the Far Eastern countries diminished more rapidly than before, and the fall in their value was sharper than the fall in the value of exports. In consequence, the combined balance of trade of the countries of the region improved and the trade deficit became smaller. Price factors as well as a reduction in export volume have contributed to these changes. The general decline in export prices ceased after the middle of 1952. Export prices recovered in some countries moderately (e.g. Pakistan), and in others more substantially (the Philippines and Ceylon), while in others export prices continued to decline (Malaya, India and Japan). Moreover, there was no general trend towards an expansion in export volume.

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IRON AND STEEL IN EAST ASIA

Practical recommendations for the use of suitable and locally available substitute raw materials for Asian pig iron production were made at a four-day meeting of iron and steel experts, held in Bangkok August 31-September 3 under the auspices of the United Nations Economic Commission for Asia and the Far East. Though progress has been achieved, East Asian iron and steel production could be considerably stepped up beyond its present low level by effective utilisation of existing resources and profitable exchange of products.

Proposals for the improvement of Asian production methods and techniques were considered by the 26 experts from 12 Asian and non-Asian countries who had come to Bangkok. Many of Japan's operation techniques were considered applicable in the countries of the region, especially operations concerning exploitation of iron ores, charcoal blast furnaces, sintering, coal washing, utilisation of non-coking coals, electric smelting, electric furnaces, open hearth furnaces, use of oxygen in steel making, etc.

In view of the lack of coking coal in many Asian countries the experts are drawing governments' attention to the possibility of producing charcoal pig iron in preference to importing pig iron in countries with large forest reserves. The experts accepted the view about the superior quality of charcoal pig iron, and they noted that charcoal blast furnaces were being successfully used in Japan, Brazil and Sweden. Charcoal pig iron might also be produced for special purposes in countries possessing sufficient quantities of coke pig iron. Possibilities for charcoal pig manufacture existed particularly in Burma, Indonesia and Thailand.

The use of pyrite cinder as a raw material could be introduced, in the view of the experts, with advantage into some countries. Sintering could utilise waste materials such as ore fines, flue dust and coke breeze. Sintering and ore beneficiation would have the further advantage of improving the burden, and this would benefit countries suffering from lack of coking coal. Proposals are known for the installation of sintering plants in India and Taiwan.

The Sub-Committee underlined the importance and benefits of coal washing, and recommended this practice wherever applicable. India has already installed two washing plants, and further plants are being contemplated.

An offer of cooperation with other countries in the region was made by Japan, which is anxious to bring to a successful conclusion tests and experiments with the utilisation of non-coking coals especially by the manufacture and use of semi-coke, bojuntan and other similar processes. This process might provide a satisfactory alternative to the pig iron manufacture by coke, especially in countries where power is cheap compared with coke, or coke is not available, or has to be imported. Such furnaces already exist in India and Japan and are being considered by Burma and Indonesia.

The reserves of scrap in countries like Burma or Indonesia were large enough to support a small industry for 20 to 30 years, even though the recurring yearly supply of scrap might not be of any considerable magnitude.

The electric arc furnace process of steel making was considered suitable for countries of the region with the scrap resources of Burma, Taiwan and Indonesia. Burma now had definite plans to put up a hand-operated sheet mill, and Indonesia was putting up a mill of small capacity to roll scrap in Java. In Taiwan and Thailand there were also possibilities for the establishment or expansion of small rolling mills to manufacture ordinary commercial quality products. Scope appeared to exist for the manufacture of wire products in Burma, Indonesia and Thailand.

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EARLY SHIPPING DAYS OF HONGKONG

An era of "tall and thin" ships braving pirate-infested waters in their propagation of trade was recalled by Dr. S. G. Davis and the Rev. Fr. T. F. Ryan, SJ, in their discussion about the days following the birth of the Colony in their broadcasts over Radio Hongkong. It was a period interesting to read about but dangerous to live in. A

serious piracy situation prevailed. In 1844 nine Chinese, charged with piracy and robbing a fisherman, were each sentenced to five years' hard labour with 100 strokes for every year of confinement. These pirates had been making off from the scene of their attack when an Englishman came along in another ship and turned the scales.

Shipping in the early days was a hazardous business with the risk of storms and the greater risks posed by China coast pirates. The Portuguese had managed to get themselves well established in Macao purely due to the fact that they had helped out the Manchu Government in defeating a pirate who had called himself the "King of the Island of Canton." The islands now known as the Ladrones had apparently been used as the chief headquarters and the islands themselves had got the Portuguese name of "Robber" (Ladrone).

The pirate problem was a big one and consequently when government was set up in Hongkong and the Navy came, high rewards were offered for the capture of pirates. This was where bounty came in so that ships engaged in the dangerous work of clearing pirates were at least rewarded for the job they did. In 1849, 83 pirate junks were destroyed. In 1853 there were 70 piracies. Admiralty records showed that in 1843 one of Her Majesty's ships had captured three pirate junks, in 1849 280 pirates and 310 in 1851.

The ships which then came out were terribly small—100 to 150 tons—in comparison with the steamers of today. The people who manned them must have been superb navigators and sailors. Though the ships were small they were very beautiful and that was where the clippers came in. Of French design these clippers had been built in America. The French had very fast sailing ships in their navy in the 18th century. And the idea of speed in trading ships was to get tea (then the main product) back to England as fast as possible. Famous among them was the Cutty Sark which once covered 363 miles in one day.

Jardine's first flagship was the Falcon. The trend of those days was to use fast ships to search out new ports, to get the news back and to send the cargo off.

When the American ship Savannah crossed the Atlantic to Europe and back again, the pioneers were obvious that if the Far East trade was to be opened up different ships would have to be used.

The Hongkong pioneers of shipping in a big way were the Peninsular and Oriental Steam Navigation Company (P. & O.) which, however, did not start with the steamship although this was used in their European service. That was where the name "Peninsular" came in. The Royal Charter was given to them in 1840 and the name "Oriental" was added. How very much P. & O. were to the fore could be seen from the fact that in 1844 they had already established and organised a monthly service to Hongkong. Adding to the credit of this initiative were the tremendous problems of those days. There was, for instance, no Suez Canal and porterage had to be arranged across from Alexandria to the Red Sea.

For 33 years P. & O. had practically exclusive control of steam carriage to the Far East. They opened branch services to Shanghai and back to India. As soon as the Suez Canal was opened up they changed their whole fleet. Mackinnon, Mackenzie & Company of Hongkong Ltd., were now the agents of the P. & O. whose Compradore, Mr. Wong Chi-po, was carrying on a family tradition since his father and grandfather had both been Compradores of P. & O.

Another early shipping firm was the Douglas Steamship Company whose Douglas Lapraik began business in the Colony as a watch maker but who later entered the shipping and dock business. He had come from Aberdeen in Scotland, like so many pioneers of his day.

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EARLY SHIPPING & INDUSTRY OF HONGKONG

Lack of essential raw materials did not prevent Hongkong's industrial pioneers of a century ago from going ahead with the development of their projects, a driving spirit which, for instance, gave the Colony its ship-building industry. This was one of the factors commented upon by Dr. S. G. Davis and the Rev. Fr. T. F. Ryan, SJ, in their discussion over Radio Hongkong about the early days of the Colony. Looking at Hongkong's raw material resources it was a wonder that there were any industries at all since there was none of the solid things which one expected to have in order to build a major industry.

The Blue Funnel Line came into being in 1852 and is still functioning today with Butterfield and Swire as their agents. Holt's Wharf was connected with the Blue Funnel line.

The French line, Messageries Maritimes, began a good 10 years later and came well into the picture with regular mail ships in 1865. A coastal steamboat company—the Hongkong, Canton and Macao Steamboat Company Ltd.—also started at that time.

In 1872 John Swire started a paddle steamer service along the coast and up the Yangtse and just about that time there came the first regular Pacific crossing from San Francisco to Hongkong by an American company, the Pacific Mail. A regular schedule was maintained from the very beginning.

It was amazing how quickly people caught on to the fact that Hongkong was here to stay and began regular shipping runs: apparently, businessmen were just as astute then as they are today.

The Indo-China Steam Navigation Company, Ltd., was started by Jardine's—"Indo-China" being a name derived from the service from India to China. But the Company also had coastal steamers plying to Macao and up the Yangtse.

There were so many of these early shipping firms that it was hard to keep track with all of them, but quite a number of those lines were still operating today, the speakers said.

Jardine's had such a fleet at that time that they saw fit to do something about repairing their ships and this marked what was virtually the beginning of the ship building industry in Hongkong—the Colony's first basic industry. Jardine's had all their installations at East Point and it was in this area that the Celestial was launched in 1843.

Before this time steamers of the Peninsular & Oriental Steam Navigation Company (P. & O.) had been dealt with at Whampoa, port of Canton, where there were Chinese mud docks. All of the P. & O.'s regular boats on the full length service were steamships and when the firm established themselves here (in 1844 they already had a monthly service to Hongkong) the idea of repairs and so on occurred to them. John Cooper, a Scot, was sent to Whampoa to supervise and build docks. He later started his own Cooper Dock. Hongkong had its own dock at Aberdeen in 1857.

By 1877 the Hongkong and Whampoa Dock Company Ltd. had already started. In 1880 the Cosmopolitan Docks were built in Shamshuipo. Taikoo Dockyard came very much later—1907—but this dockyard scheme had been born long before then. It took seven years along to prepare the ground. It covered a total area of 52 acres, 20 of which had to be reclaimed from the sea and the remainder blasted from solid rock. They built six acres of workshops before they started. The Bailey Dockyard built the ships Kwangtung and Kwangsi which were both still running. The Dockyard began in 1900.

The primary industries of Hongkong in the 19th century were ship-building, cement making, sugar refining, rope mak-

ing and silk and cotton. Cement making started in 1889 and the present Green Island Cement Company Ltd., was first established in Macao.

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LOSSES ON CHINESE RAILWAYS

Serious losses have been suffered in China owing to poor protection of goods in transit on the railways. Cases have frequently occurred in which large consignments of grain by rail have become mildewed, have deteriorated in quality, or rotted through rain when kept under broken canvas covers or in leaking cars. Damage has also been done by loading grain in cars which had not been cleaned after being loaded with drugs, kerosene, or asphalt.

Typical cases are cited in detail in the Communist papers. Nine cars loaded with rice and one car with soya beans were sent all the way from Changsha and Shuangchengpao to Manchuli. Over 220,000 catties of rice were rain-soaked and mildewed and over 310,000 catties smelt to high heaven, and the same happened to the soyabean cakes. In a warehouse of the Peking Municipal Food Company at Yungtingmen 70% of the bags of flour shipped from Soochow were soaked by rain, and another consignment in Peking, at Hsipienmen, suffered even more. Indeed grain sent to the capital from a great many places in the country was in the same condition.

Though the losses were great many of the personnel showed an irresponsible attitude. For example, a supply of 10,400 catties of corn for the miners at Chiaotso was ruined by rain. When the official at the mines sent a subordinate to the railway to talk the matter over, the railway official simply told him to take delivery: he wasn't concerned about anything else.

As a result the authorities concerned have been ordered to raise their sense of responsibility toward the people, while leaders in the lower levels are directed to make personal inspections of the conditions of railway cars and loading. Cars that are not clean or cracked and the rain covers broken should be cleaned, disinfected and repaired, while rain must be kept out of open cars.

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SCANDALS IN PEKING'S TIMBER INDUSTRY

The Communist official Press is continually complaining about one thing or another. One of the most recent complaints is about the waste and wrong use of valuable timber. It is emphasised that the timber resources of the country are limited, that output is far short of demand, though the number of trees felled has rapidly increased, and that the site of building timber is scattered along the remote frontier regions. The Government issued a directive two years ago urging the use of cement, bricks or stone, or even bamboo as a substitute for timber—much of which used to be imported from the Pacific coast.

An inspection conducted by the South-West Bureau of the Communist Party revealed very serious conditions of waste and overstocking. State enterprises, the Military and the Railway had piled up great quantities amounting altogether to 72,500 cubic metres. The East Szechuan Tree-Felling Corporation was forced to sell most of its timber as firewood because it had rotted from over-compression. On some building sites there were huge accumulations of timber about which nobody enquired. Negligence in storage led to the rotting of large quantities. Drastic action has been ordered by the South-West Committee of Financial and Economic Affairs to ameliorate the serious state of affairs and prevent similar abuses in future.

The trouble is not confined to the South-west but appears to be general, for the Peking People's Daily deals with many similar cases of waste, loss and negligence in the North and North-east. State institutions also always ask for the best, timber without scars, without knots, or without cracks. All ask for red pine, irrespective of its use, and they think that the longer the piece, the better it is. Some urgently need timber and cannot get it, while others have big surpluses and waste it. Long pieces are used where short lengths would suffice, and vice versa. The paper speaks of "extreme selfishness" and incompetence, and says matters are made worse by the confusion that obtains in the management of the working sites. There is no idea of economy, the supply of materials is often neglected, precisely by those who do pay attention to design. Much timber has been put aside on the plea that it does not entirely conform to standard, and the forestry department appears to be helpless to solve the problems. "Waste and the irrational use of timber must be stopped," declared the Peking organ. "The principle of the economical and rational use of timber stated in the directive of the Government Administration Council in 1951 must be persistently upheld. Blind processing must be eradicated and planned production be vigorously carried out."

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INDUSTRIAL DEVELOPMENT IN NORTH CHINA

Seven iron and steel mills are being enlarged in North China. The Taiyuan Iron and Steel Plant, one of these seven, is being transformed into an up-to-date iron and steel works. A new sheet steel rolling mill, a forging workshop and a new electric furnace department have already been added to this plant.

This is one of the major developments for North China this year. With the biggest coal reserves and cotton output in the country, North China is steadily being transformed into a new industrial bastion; 54% of its capital investment for the year is going into industry.

Six new coal pits are being surveyed and eleven existing ones are being reconstructed. These will supply more coking coal for the growing iron and steel industry and other coal for industrial use. Eight power plants are being expanded and 50,000 kilowatts of additional electric power will be generated as from next year. Construction of a huge automatic power plant will begin in North China next year.

With China's biggest heavy machine building factory and textile machine building factory going up in Shensi Province, North China is adding to its status as an industrial area. The heavy machine building factory will turn out complete sets of rolling mill equipment for the country when completed in 1955. The textile machine building factory is now nearing completion and will turn out spinning frames with 200,000 spindles a year.

Four new textile mills are being constructed in the cotton-growing regions. They are due to start production next year. Plants for turning out flour, oil, fats, pharmaceutical products and farm implement factories are being newly built or enlarged.

All this is but the beginning. Over a dozen geological prospecting teams are now engaged in exploring the area's natural resources. Two rich iron mines have been located both south and north of the Great Wall. North China also has deposits of manganese, zinc, aluminium, copper and asbestos, in addition to coal and iron.

Thus this area, adjoining the industrial Northeast and stretching from the Great Wall in the North to the lower reaches of the Yellow River in the South, and containing 65 million people, has all the prerequisites for large-scale development.

City construction is keeping pace with industrial development. Schools, hospitals, office buildings and housing are going up everywhere. Nearly five million square metres of new building will be completed this year alone in 15 cities and one colliery centre. 450 kilometres of new urban roads and 500 kilometres of water mains and drainage systems will be laid down this year.

ECONOMIC DEVELOPMENTS IN THE FAR EAST IN 1952

Economic developments in the Far Eastern region were dominated during 1952 by strongly conflicting tendencies. On the one hand, an advance in the physical volume of production if one takes the region as a whole. Output of foodstuffs was somewhat higher in 1951/52 than in the preceding year, inspite of the 1951 drought in important areas of India, and there is reason to believe that this increase will continue in 1952/53 under the stimulus of higher prices and of intensified development in the field of food production. Similarly the production of raw materials has expanded, though there has been an incipient decline in the case of a few commodities (particularly rubber). Industrial expansion made headway, helped by the provision of new equipment and by more ample supplies of basic materials. This advance was uneven and there were signs of a slowing down of the pace in two of the main centres of manufacturing (Japan and India). Yet, as far as physical output is concerned, on balance the factors making for growth have predominated. They were supported by the continuing inflow of foreign aid funds and loans, and by technical assistance.

On the other hand, depressive influences originating in foreign trade have had a retarding effect in the recent period. Since the spring of 1951 there has been a decline in demand for the principal export commodities of most countries of the region. The consequent drop in export prices (which on the whole was more significant than the fall in the volume of exports) made deep inroads into export earnings and introduced a contractionist element of varying strength into the economy of many countries.

Two main developments converged to bring about this crisis in exports. The one was the collapse of the raw material boom of 1950-51, the other the world recession in textiles. Both were part of a world-wide inventory cycle which affected the primary products of the area (except the rice exporters) as well as the industrial countries. The mainland of China, however, was not exposed to this disturbance in international markets and there has been a large expansion of economic activity in that country.

Owing chiefly to the setback in exports, the increase in physical output was unevenly distributed among countries and in some countries was not associated with a corresponding increase in real income. One of the outstanding facts in the period under review was the sharp worsening in the terms of trade of all but the rice surplus countries. In consequence, the region's productive effort for export now gives a much lower return in terms of imported goods and services than the same effort gave a year or two ago. This change was part of the process of adjustment from the abnormal Korean war boom, but it is worth noting that in some Far Eastern countries the terms of trade in mid-1952 dropped below the pre-Korean war level. Countries that are heavily dependent both on raw material exports and on food imports have suffered the greatest loss because of the scissor movement of falling prices of exports and rising prices of imports. In some of these countries real income has fallen, although the physical volume of production has been well maintained or has expanded.

The fall of export receipts has affected the relationship between supply and demand in domestic markets of the region. During 1951 and for the greater part of 1952 industries serving home markets generally turned out more goods, and in some cases there has also been an increase in the volume of imports, at least during part of the period. Home supplies therefore generally expanded. But as money income from exports declined, buying power did not keep pace with the increase in home supplies. The liquidation of commodity stocks, which occurred when prices and price expectations took a downward turn in international markets, accentuated this change, particularly in India where, moreover, monetary policy seems to have acted strongly as a check on investment in inventories. In consequence, and as a result also of other influences, inflationary pressures were gradually neutralised and finally gave way to a tendency for prices to weaken. Thus there was a general turn towards deflation, except in the war areas and in the rice surplus countries. The dividing line between inflation and deflation became rather blurred by strong sectional price increases, especially in the food deficit countries where import prices have risen. Yet this very increase in import prices relative to money income has tended to reduce effective demand, except to the extent that subsidies were paid to offset the higher cost of imports.

Two financial aspects of the recent development are worth noting. The one is the loss in revenues which governments have begun to suffer since the export boom collapsed. In spite of the efforts of governments to tap new sources of income and to prune expenditures (other than on defence and development) the tendency in many countries has been for revenues to fall faster than could be made up by such counter measures. At the same time there has been a decline in foreign exchange reserves, and in some cases gains in reserves, which were made during the boom, have been practically wiped out. These changes were very rapid, and testify to the great instability which has characterised the payment position of the region, particularly of countries heavily dependent on the export of a few commodities.

The vulnerability of these countries to international economic disturbances is, of course, an aspect of underdevelopment, but even Japan is now faced with a problem of re-development—or, at any rate, with a large problem of industrial adjustment—in view of the fact that a high proportion of its exports (textiles and other light goods) is no longer in the main stream of international demand, and that many of its heavy industries are producing at relatively high costs.

On account of the trade recession, the financing of imports has again become an acute problem. From the outbreak of the Korean war until well into 1951 the limits on importation had been mainly physical. Most primary producing countries had rapidly gained foreign exchange, a large part of which they could usefully have spent on goods essential to economic development. In some cases, they found that these goods were difficult to obtain; in other cases, development plans were not ready, and there were deficiencies in economic organization which put a relatively low ceiling on what they could absorb. In any event, foreign exchange was not then the most important limiting factor. The situation has now changed with the decline in export earnings, and what calls for emphasis is that at least a part of this decline has been due to factors which are likely to have a certain degree of permanency. For one thing, the decline reflects to no small extent the subsiding of the abnormal demands which during the Korean-war boom had pushed raw material prices to quite untenable levels. At the peak prices were far beyond anything needed to induce expansion, and were quite out of line with basic scarcities judged by the requirements of current consumption in industry.

Perhaps equally important has been the gradual growth in the world supply of raw materials, a factor which may assume increasing significance in the future as a restraint on prices. It will be recalled that after the war the world was confronted with an acute shortage of food and raw materials. While world manufacturing had expanded (be-

cause of the increase in the United States industrial production), the output of primary products had lagged, partly because of the destructive effects of the war and partly because of the virtual cessation during the 'thirties of foreign investment in primary producing countries. As a result, the prices of most primary products had risen in terms of manufactures, if one compares, say, the second half of the 'forties with an average for the 'thirties. Now in recent years there has been an increasing number of commodities, notably industrial materials, where the output-stimulating effect of high prices has begun to make itself felt. By 1951, when demand took a sudden downturn, the world supply of raw materials had increased quite substantially. It had increased partly through the development of new or substitute materials in industrial countries, a phenomenon of long standing, but of particular importance to various producers in the Far Eastern region to whom it meant a reduction in the demand for their products. The price decline in international markets since 1951 does not seem to have arrested this tendency. There is some evidence of a change in the composition of primary production, with expansion continuing in the case of many commodities—not only food—the prices of which are still attractive to producing countries. Moreover the present supply potential for some commodities is larger than actual output. It is significant that the recent advance of United States industrial activity, which resulted in a rise in demand for many commodities, was associated in the second half of 1952 with a continued weakness in the quotations of a number of basic raw materials. This indicates that factors on the supply side have become a potent influence and that output can now match at least moderate increases in demand without the stimulus of higher prices. Naturally, this does not apply to every single commodity; it applies as yet less to food than to other primary goods, and it will hardly hold should there occur large and persistent increases in demand.

In the raw material boom of 1950-51 it was prices more than sales volumes that pushed up the export receipts of the countries of the Far East. The benefits from these price gains were rather dubious; the rocketing of prices, followed as it was by an almost equally rapid decline, became a source of instability which did much damage, though in the case of at least one commodity (tin) recent agreements have introduced an element of stability. Signs have appeared towards the end of 1952 that the inventory cycle which was started off by the Korean war has worked itself out, and it seems that consumer purchases and industrial demands are now more closely related to current requirements than they were during the boom and in the period of inventory liquidation that followed. World industry which earlier in the year had suffered a check, particularly in the consumption trades, is expanding again, and if the upturn in United States production and imports continues, a new general advance may follow. Primary producing countries, as a group, will gain from this expansion, but it may well be that the price-restraining influences mentioned above will confine these gains within narrower limits than in the recent past. In the meantime import requirements of the developing countries are growing, and they are likely to press heavily against availabilities of foreign exchange. The implication is that consumption and development will compete strongly for import-finance, whereas in the past, for a short period, competition was mainly for what was physically available. In the one case as in the other the problem is one of deciding between different claims on resources, but the size of the foreign exchange reserves and of current export earnings becomes an especially important element in the decision when external finance is the limiting factor. The programming of expenditures on imports, therefore, is crucial in development planning.

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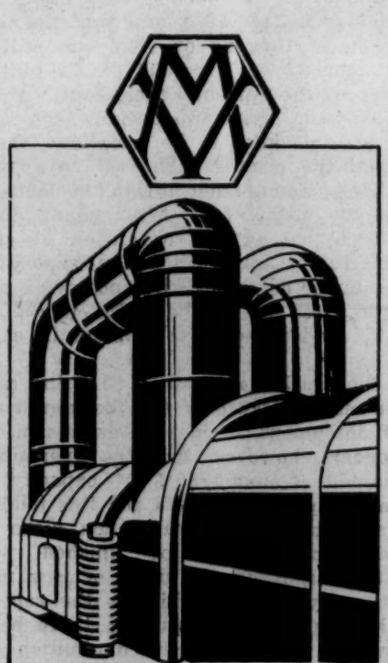

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THE JAPANESE CEMENT INDUSTRY

With the outbreak of the Korean war in June 1950, the Japanese economy enjoyed a war boom for several months, but was soon confronted with a recession after 1951 brought about by the "stretching out" of the rearmament programs of the U.S.A. and other countries and by the commencement of armistice negotiations in Korea. In consequence of this recession, prices of cotton, oils and fats, hides and leather and crude rubber, for the supply of which commodities Japan is wholly or almost wholly dependent on foreign sources, tumbled down. This price decline has gradually spread from consumer goods to producer goods and motive power, and along with this process of price adjustments among the various industrial divisions, the business recession has steadily deteriorated further until this day.

In spite of such adverse general economic conditions and though not entirely free from their impact, the Japanese cement industry has been able to make satisfactory progress and development, thanks to the abolition of control since January 1950 and to the active demand for cement both at home and abroad needed for reconstruction works, as well as to the active demand from government and other public agencies, the demand from which quarters generally lags behind the demand from other quarters. Reflecting this active demand, cement production in 1951 reached an all-time high and has since continued to increase, though at a decelerating rate.

However, in view of the fact that the world production of cement has already considerably exceeded the prewar level and in view of the general completion of the reconstruction of war-devastated facilities and the present stagnancy of rearmament expansion, the outlook for the export of Japanese cement, priced as it is higher than the international level, is such that there is a poor prospect for the phenomenal expansion of its export in the future. Nevertheless, it is expected that continued progress will be made under the support of increasing domestic demand for the development of hydro-electric power resources and for the construction of public works.

Recent Trend of Production

For several years following the termination of the last war, cement production in Japan, despite the active demand for it, had failed to increase appreciably because of the shortage of coal, existence of production and price controls under a low-price policy and the wartime destruction of cement manufacturing facilities. However, with the increase in earnings resulting from the lifting in 1950 of the controls that had been in force for some ten years and from the revaluation of assets, and under the impetus of active demand generated by the expansion of public works, development of electric power resources, and the prosecution of worldwide rearmament following the outbreak of the Korean war, cement factories were rehabilitated and expanded, with the result that cement production increased phenomenally month after month since 1950. Production in 1951 reached 6,531,000 metric tons, which was 5.3% above the prewar peak of 6,200,000 metric tons achieved in 1939 and 24.9% above the 1934-36 (prewar standard) average level of 5,228,000 metric tons (see Table I).

TABLE I

PRODUCTION, DELIVERIES AND STOCKS OF CEMENT AND CLINKER

(In thousands of metric tons)

Calendar year	Production		Deliveries		Stocks at end of year or month		
	Cement	Clinker	Cement	Clinker	Cement	Clinker	Total
1950	4,451	4,374	4,485	13	184	85	269
1951	6,531	6,936	6,551	39	162	144	306
1952	7,083	7,042	7,023	2	222	175	397

With the change in the situation upon entering 1952, the rate of production increase fell off considerably and for a time (during June and July) production fell below the level for the comparable period a year ago. The annual production increase during 1952 was about one third of the annual increase since 1949. This deceleration in the rate of increase may be ascribed to (1) completion of the reactivation of existing machinery through the rehabilitation, remodelling and transfer of idle facilities and (2) slowed-down increase in the demand.

Owing to the lagging of production behind the demand during 1950 and 1951, stocks of cement and clinker fell below the normal level of one month's consumption by the end of 1951. However, since the beginning of 1952 production has steadily caught up with the demand and has resulted in a slight increase in stocks.

Changes in the equipment capacity and operating rate since 1949 are shown in Table II based on estimates by the Cement Association in the absence of accurate data following the discontinuance of official assessment of productive capacity ever since the abolition of control in 1950.

TABLE II

CHANGES IN CEMENT MANUFACTURING FACILITIES

At end of	No. of companies	No. of factories	No. of rotary kilns	Monthly capacity* (1,000 metric tons)	Average monthly production (1,000 metric tons)	Operating rate† (%)
1949	15	33	65	440	—	—
1950	14	33	80	640	371	68.7
1951	14	33	85	707	544	80.7
1952	14	35	90	748	590	81.0

* Monthly capacity computed on a 25-day operating basis.

† Percentage of the average monthly production for the calendar year against the arithmetic average of the monthly capacity as of the end of the previous year and as of the end of the current year.

Sources: Ministry of International Trade & Industry for 1949 figures; Cement Ass'n for 1950 and subsequent years' figures.

It will be seen that the rate of increase in productive capacity has slowed down after 1951 and that the monthly productive capacity as of the end of 1952 was still below the highest prewar capacity of 1,198,000 metric tons registered in 1939 (survey by the Cement Federation). However, by the spring of next year, when two cement factories now under construction are scheduled to be completed, the capacity will about equal the prewar high real capacity computed by the Fair Trade Commission at 885,000 metric tons, instead of at 1,198,000 metric tons, after giving due consideration to the fact that prewar expansion of capacity consisted mainly of rotary kilns without accessory equipment, because the number of rotary kilns possessed by each cement company was used as the basis for the allocation of production quotas under the cartel system in existence until then.

As regards the operating rate since 1949, no accurate computation can be made because of the frequent transfers and remodelling of equipment, besides its expansion, during this period. It appears, however, that the operating rate has generally remained at about 80% of capacity, which is considered the most appropriate rate for this industry.

Next, let us see what change has taken place in the raw material requirements per unit of finished product. According to Table III showing the units of raw material requirements for the dry process, which is the representative process used in cement manufacturing, there has been practically no change, except for some fluctuation due to the change in the calorific value of coal used in cement manufacturing. Under the present system of generating

TABLE III

UNITS OF RAW MATERIALS CONSUMED IN MANUFACTURING EACH METRIC TON OF CEMENT BY THE ROTARY KILN DRY PROCESS

Item	Unit	Average for 6 months ending Mar. 31, 1951	Average for 12 months ending Mar. 31, 1952	Average for 6 months ending Sept. 30, 1952
Limestone	kg.	1,254	1,267	1,277
Clay	,,	224	240	224
Coal	,,	320	337	326
Electricity	kwh	151	143	146
Plaster	kg.	34	34	35
Refractory clay	gram	230	350	320
Grease	,,	49	51	21
Lubricating oil	litre	0.25	0.25	0.29
Steel balls	kg.	0.43	0.45	0.53
Additional data:				
Electricity generated per ton of clinker	kwh	133	125	131
Energy required per ton of clinker	Kcal.	1,744	1,772	1,770
Energy of coal used	Kcal. per kg.	6,468	6,282	6,416

Source: Cement Ass'n.

electricity by the use of waste heat, it is generally believed that the present number of units of raw material requirements is about the limit attainable.

Incidentally, as of the end of 1952 rotary kilns used for cement manufacturing consisted of 67 units (75%) for the dry process, 20 units (22%) for the wet process and 3 units (3%) for the semi-wet process. The fact that the dry process is predominantly used is apparently due to the excellent quality of limestone available in this country.

Next, let us examine the supply of limestone and coal, the two basic raw materials used in cement manufacturing. Deposits of excellent-quality limestone are found in abundance throughout this country, and a number of people are engaged in quarrying limestone either for their own account or on a contract basis. Of late the supply of coal has been eased to a considerable extent, and coal stocks held by cement factories about equal a month's requirements. However, inasmuch as the cost of coal accounts for about one half of the production cost of cement because of the high price of coal in this country, a reduction in the price of coal should help reduce considerably the unit cost of cement. Like other consumers of coal, the cement manufacturers are, therefore, strongly demanding a reduction in coal price. At the same time they are considering conversion to the use of heavy oil or imported oil coke, or the mixed use of these with coal. So far, this conversion has not become general because it involves conversion of equipment at a time when the industry is being operated smoothly and profitably, with very little dependence on export for the sale of its products. Only a few factories located remotely from the coal-fields have so far effected conversion to the use of heavy oil or imported oil coke. The use of air quenching coolers designed to economize the use of coal has not yet been widely adopted in this country, but there is a good possibility of their wide acceptance in the future, provided their usefulness is demonstrated, following the recent commencement of their domestic manufacture with foreign technical assistance.

Recent Demand Situation

After the last war, there was a sharp increase in the demand for cement needed for the rehabilitation of war-devastated facilities, modernization of buildings with fire-proof materials, construction of roads necessitated by a heavy increase in automobile traffic, construction of bridges, development of electric power resources and construction of public works, etc. Besides, there was an active demand from Southeast Asia and other areas under the war boom which spread to these areas upon the outbreak of the Korean war. However, with the stagnation of world rearmament since the beginning of 1952 and with the increase in the cement exporting capacity of Western European countries especially, the demand for cement at home and abroad has of late tended to level off.

Comparison of recent demand by consumer group with the prewar demand is shown in Table IV. Though the figures for both the prewar and postwar years covered in the table cannot necessarily be considered accurate in view of the difficulty of compiling such statistics, especially because no distribution control was in force during the years covered in the table, yet they serve the purpose of showing the general trend of demand.

Analysis of the domestic demand shows that civil engineering and construction works together accounted for 39.5% of the total demand in fiscal 1950, 45% in fiscal 1951 and 40.5% in the first 9 months of fiscal 1952, compared with 31.4% in the 1934-36 period. As it is believed that the greater part of the demand lumped together under "Others" in the table has been used for civil engineering and construction works also, it may be safely assumed that these two groups have accounted for more than one half of the total consumption of cement. In any case, increased consumption by these two divisions may be regarded as the principal factor responsible for the increase in the demand for cement. Consumption by the electric power industry also increased, but its rate of increase during 1952 fell short of the original expectation on account of the lag in the prosecution of the 5-year plan for the development of hydro-electric power resources. In contrast to the increase in consumption by these and other divisions over the prewar level, consumption of cement for the construction of railways, roads and bridges has fallen below the prewar level. Such a reverse situation for the latter group is attributable to the fact that the prewar period was a period of expansion of railways, roads and bridges.

Classification of consumption into government consumption and private consumption shows that recent consumption by the former has accounted for 35-40%, compared with 20-30% in 1935, which increase is believed to be due to

TABLE IV

DELIVERIES OF CEMENT, BY CONSUMPTION PURPOSE

(In thousands of metric tons)

Consumption purpose	Fiscal 1934-36 average Quantity	%	Fiscal 1950 Quantity	%	Fiscal 1951 Quantity	%	April-December 1952 Quantity	%	Estimate for fiscal 1952 Quantity
	0	0	32	0.6	28	0.4	13	0.2	14
American Security Forces	828	16.7	697	13.4	1,162	17.3	637	11.8	852
Export (including special procurement export)	349	7.1	176	3.4	162	2.4	133	2.5	131
Railways	246	4.9	237	4.6	327	4.8	391	7.2	520
Electric power	110	2.2	96	1.9	141	2.1	110	2.0	144
Ports and harbors	303	6.1	215	4.1	204	3.0	192	3.5	253
Roads & bridges	427	8.6	878	16.9	1,220	18.2	951	17.6	1,271
Civil engineering works	1,127	22.8	1,171	22.6	1,799	26.8	1,240	22.9	1,653
Construction	68	1.4	182	3.5	172	2.6	142	2.6	188
Mining	143	2.9	254	4.9	369	5.5	331	6.1	440
Cement products	0	0	37	0.7	75	1.1	60	1.1	79
Owner-user purpose	1,349	27.3	1,214	23.4	1,062	15.8	1,220	22.5	1,625
Others	4,950	100.0	5,189	100.0	6,720	100.0	5,420	100.0	7,220

Source: Cement Ass'n.

TABLE V
EXPORT OF CEMENT, BY CURRENCY AREA
(In thousands of metric tons)

Calendar year	Dollar area Quantity	%	Open Account area Quantity	%	Sterling area Quantity	%	Total Quantity	%
1951	238a	22	68	6	770	72	1,076a	100
1952	436b	46	86	9	428	45	950b	100

a Includes 233,000 metric tons of special procurement export. b Includes 413,000 metric tons of special procurement export.
Source: Cement Exporters' Ass'n.

the rehabilitation and expansion of government office buildings and government-operated enterprises and to the increase in public works. This trend is worthy of note as having an important bearing on the future domestic demand for cement.

Export of cement during the past two years is shown in Table V. The total volume of export in 1951 was 1,076,000 metric tons (including 233,000 metric tons of special procurement export), which far exceeded the previous high of 702,000 metric tons registered in 1936. In 1952, export to the dollar area increased twofold over the previous year owing chiefly to the increase in special procurement export, but if special procurement export is excluded, the increase in export to the dollar area over the previous year was limited to 18,000 metric tons. On the other hand, export to the sterling area decreased owing to import restrictions in that area and stiff competition put up by British and West German exporters. The net result was a substantial decrease in export to 950,000 metric tons (including 413,000 metric tons of special procurement export).

In the prewar period, Japan had ranked fifth among the cement producing countries of the world. Though its rank fell to 13th at one time in the postwar period, the prewar rank has been recovered recently. However, since production in the principal cement producing countries (other than the Soviet Union) has increased from a monthly figure of 6-7 million metric tons during 1938-39 to 10-11 million metric tons during April-June 1952, it appears that each of these countries has by now considerable surplus exporting capacity. This fact is worthy of note together with the relatively high price of Japanese cement and the dollar shortage in the cement importing countries.

For fiscal 1953 the Ministry of International Trade & Industry estimates a total demand of 8,200,000 metric tons. Though this goal may not be easily achieved, increased demand can be expected for the development of electric power resources and public works. In view of this prospect of continued increase in the demand to some extent, it is believed that the demand will remain firm for some time to come.

Price and Profit Yield

Cement factories in Japan are located chiefly in the Chugoku and Kyushu districts, where coal is available at a short distance. As between the producing areas and such large consuming centers as Tokyo and Osaka, the demand and supply situation differs to some extent, and there is also freight differential to be taken into account. Under the circumstances, there is some difference in the price of cement as between the various areas, but as a whole the domestic price of cement has shown a steadily rising trend up to 1951 along with the rise in coal price and freight rate. But with the easing to some extent of the demand and supply situation since the beginning of 1952, the price has levelled off, despite the rise in the cost of raw materials and freight rate. A similar rising course was followed by export price up till 1951, but it has taken a downward course since the beginning of 1952, probably in reflection of the stiff competition in Southeast Asia. However, up till the end of 1952 the spread has been very small between the F.O.B. export price and the domestic price in the Moji area, where most of the export cement factories are located (see Table VI).

TABLE VI
RECENT MOVEMENT OF DOMESTIC WHOLESALE PRICE AND EXPORT PRICE OF CEMENT,* BY CONSUMING AREA
(In terms of U.S. dollars per metric ton)

Date	Tokyo	Nagoya	Osaka	Moji	Export (F.O.B.)
June 1950	$12.78	$12.22	$11.67	$12.22	$12.30
Dec. 1950	15.56	15.20	14.44	13.89	13.50/14.80
June 1951	22.22	21.39	20.55	18.33	20.00
Dec. 1951	24.44	23.89	23.05	21.94	23.30/23.50
June 1952	24.44	23.89	23.05	21.94	22.00
Dec. 1952	24.44	23.89	23.05	21.94	21.00

* Warehouse delivery price.
Source: Ministry of International Trade & Industry.

Comparison of the Japanese export price of cement with the international level shows that up till 1951 there was practically no difference between the two, but that recently there has been a considerable spread between the Japanese F.O.B. price ($21) and that in the United Kingdom, West Germany and Belgium ($14-16). The spread between the Japanese price and American price ($23) appears to be small. As previously pointed out, the high price of Japanese cement is due primarily to the high cost of coal, which is believed to be some $10 per metric ton higher than the international level. This higher cost of coal results in a spread of some $4 per metric ton between Japanese and foreign cement. Moreover, during the dry season when the supply of electric power in this country runs short, cement factories find it necessary to use high-cost coal in order to generate the required volume of electricity, thereby increasing further the manufacturing cost of cement. In order to bring down the F.O.B. price of Japanese cement to the European level, it is essential first of all to remedy this special condition. As things stand now, however, this is considered highly difficult, and it rests on the shoulders of the individual manufacturers to do their best to lower the cost by every means possible.

As regards the profit yield on operations, accurate figures are not available, but it is reported that profit of between Y1,000 and Y1,500 per metric ton is realizable under present domestic market conditions, considering aside the conditions of the export market. For the semi-annual term ending between September and November 1952, the Nippon Cement, Onoda Cement and Osaka Yogyo Cement Companies realized an average profit of 13.6% on the net sales, compared with 6.5% for the previous term. According to a survey by the Tokyo Securities Exchange, the average dividend paid on the paid-up capital by five of the principal cement companies was 39.5% p.a., compared with 13.4% for banks and insurance companies, 30.6% for mining companies and an overall average of 24.3% for 481 listed companies which declared dividends for the first term of 1952. Even if the special anniversary dividend declared by the Nippon Cement Company is excluded from the calculation, the average dividend rate for the five cement companies was 32.8%, which was considerably better than that of the other industries. (For an outline of the four principal cement companies, see Table VII).

Expansion Programs

According to a survey by the Ministry of International Trade & Industry, nine cement companies have expansion

TABLE VII
OUTLINE OF THE PRINCIPAL CEMENT COMPANIES

Company name	Location of head office	Capital stock (million yen)	No. of factories	No. of rotary kilns	Monthly capacity (metric tons)	Semi-annual production (metric tons)	No. of employees	Date of survey
Nippon Cement K.K.	Tokyo	700	10	16	172,000	808,830	4,556	Oct. 1952
Onoda Cement K.K.	"	1,600	8	20	173,000	735,196	3,834	Sept. 1952
Iwaki Cement K.K.	Tochigi Pref.	800	5	17	130,000	472,837	1,884	Mar. 1952
Osaka Yogyo Cement K.K.	Osaka	270	2	7	75,000	289,000*	1,396	May 1952

* For the 6 months ending November 1952.
Sources: Compiled from the business reports and bond prospectuses issued by the respective companies.

programs for the construction of 10 factories and 12 rotary kilns, with a total monthly productive capacity of 134,000 metric tons. All of these programs are either under prosecution or have completed ground-breaking ceremonies. The fact that all but one of the 12 rotary kilns are new kilns (the other being an old kiln to be repaired and transferred to a new factory) is a new phenomenon, which is a sharp contrast to the practice heretofore of mainly rehabilitating idle kilns in order to expand production. It is also significant to note that the nine companies planning expansion of equipment comprise one new comer (Tohoku Cement K.K.) and one soda manufacturing company (Toyo Soda K.K.), besides the seven existing cement companies. Of the 12 rotary kilns included in the expansion programs, four (with a total monthly capacity of 41,000 metric tons) are scheduled to be completed by April 1953, two (24,000 metric tons) by September 1953, four (42,000 metric tons) by December 1953 and two (27,000 metric tons) by March 1954. As the result of these expansions, the total monthly productive capacity of the cement industry will increase to 882,000 metric tons by March 1954, which capacity will approximate the highest prewar real capacity when due account is taken of the deficiency in accessory equipment of the prewar cement factories.

As regards expansion of equipment after the completion of the foregoing programs, there are two conflicting views as to the advisability of undertaking further expansion. One view holds that further expansion is needed for meeting the large demand for cement (five to six million metric tons) under the 5-year program for the development of hydro-electric power resources, which program will reach its peak duing 1953 or 1954. The opposing view holds that, instead of undertaking a further expansion of equipment, the operating rate of the existing equipment should be increased to meet the increased demand, in view of a probable lag in the prosecution of the power development program, the recent decrease in cement export and the present stagnancy of domestic demand and also in anticipation of a sharp reduction in the demand following the completion of the power development program, which may necessitate curtailment of operations, as was the case for many years in the prewar period when the average operating rate was kept at about 60%, with a low of 39%. As a practical problem, however, it is likely that expansion or renovation of equipment will be continued in view of the present firm tone of demand, the good earnings of the cement companies and the considerable percentage of antiquated equipment still in operation.

Conclusion

It was not until 1950 that the Japanese cement industry was freed from production control under either a cartel system or state control. Since then the various modernization measures adopted by the industry after the end of the last war have proved very fruitful, especially after the outbreak of the Korean war, and the industry has enjoyed prosperity even under the recession that has set in following the war boom. Lately, however, Japanese cement is priced higher than the international level, while the domestic demand has tended to level off somewhat of late. Nevertheless, in view of the very high degree of self-sufficiency of the cement industry in respect to raw materials and in view of the good quality of Japanese cement due to the excellent limestone found in this country, effort is being made to reduce the cost so that cement export may become a good earner of valuable foreign exchange. Moreover, the domestic demand for cement is expected to increase to meet the needs of government agencies and power development. So there is a fair prospect for continued progress by this industry, which is counted among the promising industries of Japan at a time when many other industries are suffering from the business recession.

HONGKONG'S TRADE IN AUGUST AND FOR JANUARY-AUGUST 1953

There was a further drop in the Colony's overall trade for August 1953 which at $441.2 million was the lowest since August 1949. This total was $85.0 million (16.2%) less than the preceding month of July and $167.0 million less than the figure for August last year, according to figures issued by the HK Dept. of Commerce & Industry. While the decline is partly seasonal it is noteworthy that Indonesia, with a decrease of $20.0 million, was again, owing to its restrictions on imports, the principal country responsible for the decrease. Trade with Communist China declined by $14.7 million, while trade with United Kingdom showed a reduction of nearly $12.0 million. Trade with Malaya fell by $12.2 million. The main commodity affected was textile yarns and fabrics which dropped from $94,318,593 in July to $76,746,160 in August, a decrease of $17,572,433. Nevertheless, although trade for August was the lowest monthly total for four years the cumulative trade for January to August, 1953 is 9.5% higher than the corresponding period last year being valued at $4,643.2 million as against $4,241.2 million for 1952.

Imports—Imports during August, 1953 at $268.8 million fell by $37.5 million (12.2%) compared with the previous month. The decrease was mainly due to decreases in imports from United Kingdom, down by $7.8 million; China excluding Formosa, down by $7.1 million; Malaya, down by $6.8 million; Japan, down by $3.9 million; Pakistan, down by $3.6 million and U.S.A. down by $3.3 million. Items which showed a sizeable reduction were scientific instruments; photographic and optical goods; watches and clocks, from $16.6 million to $7.9 million; mineral fuels, from $10.4 million to $3.9 million; textile yarns and fabrics, from $47.9 million to $42.8 million, and medicinal and pharmaceutical products, from $10.1 million to $5.0 million. On the other hand imports of cereal and cereal preparations increased from $25.6 million to $30.7 million and fruits and vegetables from $19.7 million to $24.8 million. During the month a further shipment of bovine cattle was received from Thailand and a total of 270 head was supplied by Indonesia.

For the period January to August, 1953 imports, valued at $2,702.0 million, showed an increase of $260.8 million (10.7%) over the figure of $2,441.2 million for the same period of the preceding year.

Exports—Exports during August, 1953 at $172.4 million registered a decrease of $47.5 million (21.6%) compared with the previous month. Exports to Indonesia which last month dropped by $21 million declined by another $19.0 million, with textile yarns and fabrics showing a reduction of $11.3 million. Other countries which bought less from Hongkong were China, excluding Formosa, down by $7.6 million; Malaya, down by $5.4 million; United Kingdom, down by $4.2 million; Philippines, down by $3.8 million; and Japan down by $2.6 million. Exports of textile yarns and fabrics fell from $46.4 million to

HK IMPORTS BY COUNTRIES, AUGUST, 1953

With Cumulative Totals for the Year & Comparative Totals for the Corresponding Period of 1952

	Aug. 1953	Jan./Aug. 1953	Jan./Aug. 1952
Merchandise	$	$	$
United Kingdom	30,984,119	332,137,077	300,838,622
Australia	3,793,245	33,379,566	33,916,170
Canada	2,914,927	37,713,929	54,210,183
Ceylon	244,825	3,549,329	1,386,624
India	4,651,439	35,919,517	59,606,935
Malaya	8,254,669	117,341,315	103,921,498
New Zealand	65,310	880,697	816,121
North Borneo	1,449,369	18,629,010	18,924,417
Pakistan	8,492,435	78,259,282	67,648,226
South Africa	994,910	10,439,955)	
West Africa (Br.)	—	—)	31,682,757
East Africa (Br.)	2,037,493	15,695,621)	
Central Africa (Br.)	888,851	3,690,094)	
British West Indies	7,194	29,255)	
British Oceania	38,435	264,920)	23,334,587
British Comm., Other	2,083,345	16,146,642)	
Egypt	1,800,324	5,893,721	13,182,418
Afr. Countries, Other	166,270	1,989,599	3,114,002
U.S.A.	17,719,947	151,387,994	152,975,584
Central America	—	256,002	905,543
Argentina	17,366	349,411)	
Brazil	1,184,180	1,211,686)	5,771,467
South America, Other	—	27,155,515)	
Burma	2,363,452	35,150,249	21,553,313
China (excl. Formosa)	57,267,774	606,671,932	491,083,818
Formosa (Taiwan)	5,475,330	60,928,065	35,612,079
Indochina	1,381,606	26,522,869	34,423,680
Indonesia	1,563,042	20,046,523	17,715,506
Japan	37,170,442	260,513,952	321,773,184
Korea, North	—	—	—
Korea, South	1,470,164	8,871,126	4,616,124
Macao	4,855,162	46,150,857	43,434,146
Philippines	271,162	6,255,249	7,069,084
Thailand	30,925,052	206,921,028	151,616,844
Middle & Near East	8,500	2,122,086)	
Central Asia	750,160	3,419,707)	12,656,279
United States Oceania	181,500	1,763,430)	
Oceania, n.e.s.	30,000	150,415)	
Belgium	2,927,772	39,870,814	50,227,595
Denmark	535,320	10,475,207	6,484,080
France	1,771,635	42,336,210	35,199,180
Germany (Western)	9,329,445	162,758,577	80880,858
Italy	3,038,341	61,838,274	68,853,010
Netherlands	7,904,978	81,994,075	62,669,630
Norway	1,011,284	7,587,835	13,122,681
Sweden	2,596,393	18,082,200	19,352,739
Switzerland	3,639,466	70,772,870	71,141,769
U.S.S.R.	—	9,333	105,300
Austria	1,284,689	9,253,821)	
Finland	290,377	1,176,931)	
Turkey	—	5,696)	19,386,028
Eastern Europe	2,404,961	14,232,442)	
European Countries, Other	604,779	3,798,713)	
Total Merchandise	268,841,439	2,702,000,623	2,441,212,081
Total Gold & Specie	494,372	4,254,156	7,440,679
Grand Total	269,335,811	2,706,254,779	2,448,652,760

$33.6 million; animal and vegetable oils from $8.9 million to $2.3 million; and manufactured fertilizers from $5.9 million to $0.9 million.

For the period January to August, 1953 exports valued at $1,941.2 million showed an increase of $141.2 million (7.8%) over the figure of $1,800.0 million for the same period of the previous year.

Trade Controls—The number of import and export licences issued fell below the previous month and in the case of export licences were well below the monthly average for last year. Details are as follows:—

	August 1953	July 1953	Monthly average for 1952
Import	6,896	7,876	6,890
Export	11,823	14,106	13,168

The restrictions on the import for local consumption of Japanese origin cotton yarn were abolished with effect from August 19. Certain items including old steel files, Asbestos cement sheets, Thio-urea and bitumen paints were removed from the prohibited import and export list. Items added to the list included fork lift trucks.

Essential Supplies Certificates—The number of applications fell to 1,159, the lowest monthly total this year, though it is still appreciably above the monthly average of 990 in 1952. There were 123 refusals. The relative position between respective countries was practically unchanged.

Seizures—The number of major seizures fell from 21 in July to 14 and the number of arrests from 20 to 14. The vigilance of revenue launches and mobile patrols has been maintained at a high standard. Over 200 vessels are searched every twenty-four hours by revenue officers on duty afloat.

Increased seizures of Chinese-prepared tobacco were compensated by a fall in the quantity of Macao cigarettes detained. The figures for liquor, including illicit stills, were similar to those of the previous month.

Revenue—Revenue at $6,468,018.63 showed only a slight fall compared with the previous month and there were no significant changes in the yields from each particular item. The monthly average is running at a level slightly higher than estimated.

Statistics—The total number of import and export declarations received during August was 46,548, compared with 55,412 in July. Revenue derived in respect of trade declarations totalled $46,548, while fees charged covering specific enquiries relating to trade statistics amounted to $190 during the month.

Business Registration—The first business registration certificate was issued on August 28, 1952 and, at the close of business on August 27, 1953, the revenue collected during the twelve months' period totalled $7,020,056.

Intensive work on outstanding appeals reduced the arrears of work but only 573 new certificates were issued during the month. Although progress is rather slow once the initial applications are disposed of, the despatch of subsequent certificates will become easier.

The position at the end of August is as follows: applications registered 53,315, demand notes issued 37,443,

(Continued on Page 415)

HK EXPORTS BY COUNTRIES, AUGUST, 1953

With Cumulative Totals for the Year & Comparative Totals for the Corresponding Period of 1952

Merchandise	Aug. 1953 $	Jan./Aug. 1953 $	Jan./Aug. 1952 $
United Kingdom	7,737,721	82,056,723	53,494,252
Australia	3,747,320	21,192,660	11,710,944
Canada	1,489,371	15,792,676	11,922,601
Ceylon	862,299	10,266,884	5,054,956
India	1,260,755	14,204,703	8,954,841
Malaya	23,555,003	237,737,632	289,891,139
New Zealand	396,569	2,836,256	2,510,189
North Borneo	1,735,141	17,248,860	10,971,754
Pakistan	2,989,414	16,567,031	44,406,405
South Africa	435,260	4,793,979)	
West Africa (Br.)	2,970,244	15,020,238)	21,202,132
East Africa (Br.)	3,063,303	13,295,599)	
Central Africa (Br.)	1,041,745	8,671,039)	
British West Indies	985,089	7,919,721)	
British Oceania	677,834	3,311,132)	17,251,174
British Comm., Other	769,387	11,535,586)	
Egypt	469,783	1,415,058	1,911,420
Afr. Countries, Other	2,074,238	30,908,396	23,933,728
U.S.A.	5,247,376	41,746,524	94,105,196
Central America	1,082,815	8,427,124	7,472,991
Argentina	215	4,780)	
Brazil	32	38,937)	8,095,526
South America, Other	943,679	5,901,932)	
Burma	2,786,193	24,344,414	42,587,580
China (excl. Formosa)	18,886,319	409,395,130	251,995,302
Formosa (Taiwan)	7,673,896	66,198,358	137,718,123
Indochina	2,881,591	25,699,069	22,658,957
Indonesia	21,387,915	306,071,621	291,687,384
Japan	12,385,601	164,360,101	76,248,874
Korea, North	—	—	—
Korea, South	3,186,641	31,082,031	16,709,679
Macao	5,439,094	60,588,012	55,235,013
Philippines	3,729,849	41,809,145	27,052,938
Thailand	22,586,145	129,523,101	179,759,794
Middle & Near East	919,969	9,585,692)	
Central Asia	122,402	477,026)	10,364,377
United States Oceania	766,787	5,869,528)	
Oceania, n.e.s.	352,115	2,140,046)	
Belgium	336,095	7,142,112	3,209,790
Denmark	357,112	3,470,227	6,535,721
France	748,069	12,662,838	9,471,856
Germany (Western)	2,040,829	14,507,929	20,393,924
Italy	204,148	25,096,348	6,813,346
Netherlands	1,099,701	22,979,576	19,524,050
Norway	411,825	2,823,683	3,671,105
Sweden	301,625	2,757,664	2,080,030
Switzerland	153,553	791,460	1,777,237
U.S.S.R.	—	—	—
Austria	—	926)	
Finland	—	8,183)	
Turkey	48,478	468,857)	1,629,640
Eastern Europe	—	—)	
European Countries, Other	7,668	) 468,998)	
Total Merchandise	172,348,213	1,941,215,545	1,800,013,968
Total Gold & Specie	236,685	5,531,652	11,827,145
Grand Total	172,584,898	1,946,747,197	1,811,841,113

HK IMPORTS BY DIVISIONS, AUGUST, 1953

With Cumulative Totals for the Year & Comparative Totals for the Corresponding Period of 1952

	Aug. 1953 $	Jan./Aug. 1953 $	Jan./Aug. 1952 $
Live animals, chiefly for food	6,710,757	69,750,026	90,561,270
Meat and meat preparations	1,139,822	17,204,572	14,164,176
Dairy products, eggs and honey	5,868,320	60,723,085	57,218,449
Fish and fish preparations	5,430,032	43,993,653	49,263,081
Cereals and cereal preparations	30,696,143	272,324,024	192,740,850
Fruits and vegetables	24,835,000	169,367,106	150,433,091
Sugar and sugar preparations	5,086,666	100,198,185	43,718,359
Coffee, tea, cocoa, spices and manufactures thereof	4,846,968	35,063,882	33,283,686
Feeding stuffs for animals (not including unmilled cereals)	293,775	8,771,479	16,378,665
Miscellaneous food preparations	1,615,653	14,729,258	9,729,079
Beverages	1,848,352	17,415,940	21,354,200
Tobacco and tobacco manufactures	3,603,522	40,000,744	38,065,733
Hides, skins and fur skins, undressed	1,905,319	11,223,476	7,781,560
Oil-seeds, oil nuts and oil kernels	2,107,197	39,830,502	51,734,965
Crude rubber, including synthetic and reclaimed	1,297,514	10,533,864	5,906,020
Wood, lumber and cork	4,346,614	42,146,365	47,477,112
Pulp and waste paper	274,319	2,246,940	4,415,086
Textile fibres	19,796,063	148,982,690	148,147,292
Crude fertilizers and crude minerals, excluding coal, petroleum and precious stones	575,976	6,794,322	5,001,652
Metalliferous ores and metal scrap	623,969	3,800,507	6,588,738
Animal & vegetable crude materials, inedible, n.e.s.	12,221,576	106,343,414	100,902,427
Mineral fuels, lubricants and related materials	3,884,092	70,704,962	83,093,810
Animal and vegetable oils (not essential oils), fats, greases and derivatives	4,539,488	107,037,369	80,472,943
Chemical elements and compounds	2,099,130	36,596,836	95,455,698
Mineral tar and crude chemicals from coal, petroleum and natural gas	—	3,157	16,041
Dyeing, tanning and colouring materials	5,324,946	76,978,299	29,076,659

HK EXPORTS BY DIVISIONS, AUGUST, 1953

With Cumulative Totals for the Year & Comparative Totals for the Corresponding Period of 1952

	Aug. 1953 $	Jan./Aug. 1953 $	Jan./Aug. 1952 $
Live animals, chiefly for food	25,380	76,475	393,455
Meat and meat preparations	425,116	5,324,703	6,193,811
Dairy products, eggs and honey	2,571,814	23,433,326	23,486,395
Fish and fish preparations	1,312,361	17,866,276	33,964,319
Cereals and cereal preparations	1,577,473	15,165,324	15,005,876
Fruits and vegetables	16,227,837	124,538,001	128,145,419
Sugar and sugar preparations	2,182,454	90,987,202	29,553,184
Coffee, tea, cocoa, spices and manufactures thereof	1,837,570	26,038,790	27,524,990
Feeding stuffs for animals (not including unmilled cereals)	210,562	8,333,181	17,316,109
Miscellaneous food preparations	2,282,236	16,753,005	14,857,494
Beverages	851,975	9,178,130	11,184,846
Tobacco and tobacco manufactures	734,293	7,147,406	11,099,135
Hides, skins and fur skins, undressed	1,039,497	8,722,404	5,842,787
Oil-seeds, oil nuts and oil kernels	3,518,640	51,740,135	30,446,967
Crude rubber, including synthetic and reclaimed	—	16,475	98,700
Wood, lumber and cork	468,845	5,045,968	2,467,040
Pulp and waste paper	135,803	1,972,833	4,126,933
Textile fibres	3,803,131	45,527,603	28,308,917
Crude fertilizers and crude minerals, excluding coal, petroleum and precious stones	234,579	1,541,770	2,018,704
Metalliferous ores and metal scrap	2,223,230	18,809,005	21,086,075
Animal & vegetable crude materials, inedible, n.e.s.	10,589,012	89,935,726	120,114,142
Mineral fuels, lubricants and related materials	288,216	3,669,666	5,666,776
Animal and vegetable oils (not essential oils), fats, greases and derivatives	2,341,541	84,513,512	47,983,205
Chemical elements and compounds	1,850,660	27,492,720	98,957,421
Mineral tar and crude chemicals from coal, petroleum and natural gas	33,011	203,240	28,676
Dyeing, tanning and colouring materials	4,924,086	74,361,360	40,398,986

chemicals from coal, petroleum and natural gas	—	3,157	16,041
Dyeing, tanning and colouring materials	5,324,946	76,978,299	29,076,659
Medicinal and pharmaceutical products	4,963,728	195,519,005	55,453,606
Essential oils and perfume materials; toilet, polishing and cleansing preparations	2,350,404	26,978,033	16,791,994
Fertilizers, manufactured	66,931	31,535,708	14,812
Explosives and miscellaneous chemicals and products	2,781,448	28,461,510	31,656,374
Leather, leather manufactures, n.e.s., & dressed furs	1,477,124	12,654,240	11,286,389
Rubber manufactures, n.e.s.	326,240	2,714,904	10,593,772
Wood and cork manufactures (excluding furniture)	1,083,956	5,812,489	6,596,182
Paper, paperboard and manufactures thereof	9,213,686	63,549,308	75,302,305
Textile yarn, fabrics, made-up articles and related products	43,106,663	275,795,711	333,894,526
Non-metallic mineral manufactures, n.e.s.	5,753,734	43,537,255	49,941,657
Silver, platinum, gems and jewellery	1,396,276	21,782,607	22,907,198
Base metals	8,874,797	92,009,522	82,642,525
Manufactures of metals	4,184,493	42,241,664	46,393,451
Machinery other than electric	6,943,629	70,287,889	5 3,753,086
Electric machinery, apparatus and appliances	3,421,183	50,948,554	48,273,566
Transport equipment	4,690,332	30,893,861	34,636,392
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	522,952	4,086,568	6,006,085
Furniture and fixtures	202,775	1,945,590	2,903,997
Travel goods, handbags and similar articles	187,987	1,356,420	1,315,779
Clothing	2,691,991	20,614,230	18,055,518
Footwear	259,631	1,879,270	1,864,408
Professional, scientific and controlling instruments; photographic & optical goods; watches & clocks	7,934,706	109,575,085	95,720,749
Miscellaneous manufactured articles, n.e.s.	5,430,509	54,964,850	52,108,892
Live animals, not for food	5,051	91,693	118,176
Total Merchandise	268,841,439	2,702,000,623	2,441,212,081
Total Gold & Specie	494,372	4,254,156	7,440,679
Grand Total	269,335,811	2,706,254,779	2,448,652,760

chemicals from coal, petroleum and natural gas	33,011	203,240	28,676
Dyeing, tanning and colouring materials	4,924,086	74,361,360	40,398,986
Medicinal and pharmaceutical products	8,828,627	201,303,636	78,262,892
Essential oils and perfume materials; toilet, polishing and cleansing preparations	1,538,275	16,871,384	11,617,177
Fertilizers, manufactured	908,959	38,080,313	2,852,770
Explosives and miscellaneous chemicals and products	1,742,079	19,287,175	23,243,379
Leather, leather manufactures, n.e.s., & dressed furs	344,574	2,672,250	3,828,770
Rubber manufactures, n.e.s.	102,634	1,596,064	853,871
Wood and cork manufactures (excluding furniture)	275,576	2,106,385	2,622,525
Paper, paperboard and manufactures thereof	3,381,415	38,227,167	63,920,129
Textile yarn, fabrics, made-up articles and related products	33,639,497	303,889,150	378,478,970
Non-metallic mineral manufactures, n.e.s.	3,351,837	26,344,189	26,330,750
Silver, platinum, gems and jewellery	383,849	3,414,970	16,351,637
Base metals	1,472,740	14,101,516	12,245,136
Manufactures of metals	7,418,379	63,569,088	66,756,470
Machinery other than electric	2,568,534	39,057,248	31,171,005
Electric machinery, apparatus and appliances	3,092,031	34,492,001	24,224,322
Transport equipment	2,885,272	16,032,718	9,339,347
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	3,691,365	30,373,983	36,824,709
Furniture and fixtures	1,265,794	12,560,396	14,564,829
Travel goods, handbags and similar articles	775,784	5,813,017	5,034,797
Clothing	18,374,411	144,940,473	143,696,346
Footwear	4,445,898	34,747,532	17,715,464
Professional, scientific and controlling instruments; photographic & optical goods; watches & clocks	2,986,344	64,773,898	34,300,245
Miscellaneous manufactured articles, n.e.s.	7,178,991	68,415,174	69,477,280
Live animals, not for food	6,026	151,582	30,786
Total Merchandise	172,348,213	1,941,215,545	1,800,013,968
Total Gold & Specie	236,685	5,531,652	11,827,145
Grand Total	172,584,898	1,946,747,197	1,811,841,113

PRINCIPAL IMPORTS INTO HONGKONG DURING AUGUST 1953

With Cumulative Totals for the Year & Comparative Totals for the Corresponding Period of 1952

Country and total value of imports		Imports Aug., 1953	Total imports Jan./ Aug., 1953	Total imports Jan./ Aug., 1952
		$	$	$
United Kingdom ($30,984,119)	Coffee extracts	472,304	4,049,510	2,925,235
	Cigarettes	696,544	8,955,368	9,970,916
	Wool tops	2,093,013	14,153,770	6,792,895
	Indigo, natural and synthetic	543,882	4,974,725	2,467,464
	Pharmaceutical products (other than of Chinese manufacture)	984,550	42,049,016	13,532,931
	Cigarette paper	399,318	1,822,765	13,312
	Yarns of wool or hair, put up for retail sale	662,744	2,390,227	1,142,151
	Cotton yarns	726,930	8,229,966	10,991,214
	Woollen suitings and tweeds	1,964,152	12,987,703	18,931,610
	Fabrics, wholly of wool or fine hair	991,315	5,598,718	2,535,202
	Fabrics of wool or fine hair mixed with other textile fibres	511,904	5,348,141	2,395,343
	Linen, hemp, jute and ramie fabrics	381,874	2,899,897	2,361,922
	Fabrics of synthetic fibres and spun glass	315,023	2,943,729	7,615,763
	Special alloy steels, in primary forms	490,942	3,175,087	415,797
	Tinplate, primes (and seconds)	689,823	4,990,903	7,535,631
	Copper and copper alloy plates and sheets, wrought	792,027	4,463,238	1,759,968
	Hand tools	571,468	5,787,829	3,260,241
	Steam engines	398,823	788,469	394,842
	Textile machinery	323,953	11,678,097	10,700,683
	Electric generators and alternators, transformers switchgear	678,813	4,275,961	4,028,593
	Motor cars	1,128,348	10,908,130	11,877,864
	Prepared paints	391,079	2,561,861	2,848,031
Australia ($3,793,245)	Meat of bovine cattle (beef, veal), fresh, chilled or frozen	357,032	4,420,533	5,513,322
	Milk, dried	453,576	3,104,910	1,121,909
	Butter, fresh	386,754	1,917,688	1,218,650
	Eggs in the shell	133,080	1,039,387	1,525,775
	Wool, scoured	228,119	497,197	264,623
	Wool tops	276,631	1,195,385	878,213
	Leather	571,258	3,655,050	2,948,388
	Starches, starchy substances, gluten and gluten flour (not for food)	139,230	631,835	493,193
Canada ($2,914,927)	Wheat flour	610,495	9,017,422	14,137,158
	American pine, shaped or simply worked	574,748	3,872,301	5,706,624
	Plants, seeds, flowers and parts of plants, for use in medicines or perfumery	307,024	989,783	1,682,292
	Starches, starchy substances, gluten & gluten flour (not for food)	453,036	1,932,545	1,646,516
	Motor cars	281,722	627,662	4,664,761
	Cinematograph film, not exposed	146,100	146,100	—
Ceylon ($244,825)	Tea	162,780	1,425,086	1,123,017
India ($4,651,439)	Coal	1,232,042	4,448,150	13,102,134
	Leather	415,771	2,525,275	1,704,365
	Drills, ducks and jeans, grey (unbleached)	177,939	974,705	237,137
	Shirtings, grey (unbleached)	180,948	311,218	132,478
	Sheetings, grey (unbleached)	428,255	3,078,051	470,593
	Gunny bags	1,067,368	1,756,145	10,877,284
Malaya ($8,254,669)	Beans, dried (except soya beans)	195,967	199,482	—
	Pepper and pimento	364,099	1,272,202	717,326
	Hides, undressed	157,208	1,914,355	1,485,112
	Smoked rubber	606,284	5,555,175	4,643,083
	Crepe rubber	183,840	1,883,310	584,459
	Fuelwood	356,917	3,116,824	5,136,148
	Charcoal	721,042	5,015,185	4,690,724
	Rattan Canes, core and peel	168,321	1,431,296	1,839,870
	Furnace fuel oils	1,317,550	25,982,822	27,887,437
	Coconut oil	224,350	1,639,808	3,398,698
	Pharmaceutical products (other than of Chinese manufacture)	142,816	2,344,539	2,868,241
	Washing soaps	319,367	1,923,232	1,623,359
	Cotton yarns	135,000	846,945	263,310
	Poplins	342,305	1,424,065	280,085
	Fabrics of synthetic fibres and spun glass	153,173	1,947,736	399,113
	Tin ingots	157,329	1,739,226	653,265
North Borneo ($1,449,369)	Smoked rubber	500,848	3,022,103	423,240
	Primary hardwoods in the round	118,620	1,102,015	831,935
	Light hardwoods in the round	373,614	5,459,811	3,771,241

Country and total value of imports		Imports Aug., 1953	Total imports Jan./ Aug., 1953	Total imports Jan./ Aug., 1952
		$	$	$
Pakistan ($8,492,435)	Crustacea and molluscs, salted, dried or pickled	147,920	385,828	220,477
	Raw cotton	8,305,307	77,560,295	66,958,128
Egypt ($1,800,324)	Raw cotton	601,260	2,595,592	9,510,737
	Cotton yarns	1,192,204	3,172,864	3,987,772
U.S.A. ($17,719,947)	Fish, fish products, crustacea and molluscs, in airtight containers	684,837	342,716	3,385,482
	Wheat flour	211,272	4,397,483	4,915,553
	Oranges, tangerines and mandarines	1,998,720	11,751,199	11,397,515
	Dried fruits	243,942	1,516,927	2,092,533
	Cigarettes	2,428,734	12,917,190	11,947,881
	Paper waste and old paper	274,234	2,220,926	4,404,625
	Pharmaceutical products (other than of Chinese manufacture)	313,919	2,850,147	4,141,455
	Dentifrices, tooth pastes and powders	367,992	2,273,790	617,996
	Drills, ducks and jeans, grey (unbleached)	319,247	546,150	66,286
	Fabrics of synthetic fibres and spun glass	1,454,185	15,371,208	12,603,476
	Iron and steel black plate, 28 gauge and over	634,224	6,714,092	6,719,672
	Tinplate waste or waste-waste	410,841	1,602,591	1,423,005
	Stoves, furnaces (not for central heating), grates and ranges made of metal (not electric)	211,593	280,672	356,252
	Air-conditioning and refrigerating equipment	385,778	3,305,132	2,709,451
	Motor cars	316,908	909,061	998,841
	Shirts	491,011	2,267,738	1,707,339
	Photographic and cinematographic apparatus and appliances	222,026	1,261,000	1,062,155
Burma ($2,363,452)	Rice, white (other than broken)	1,537,102	30,345,420	11,886,835
	Beans, dried (except soya beans)	103,407	119,864	70,939
	Raw cotton	572,928	3,657,117	7,724,778
China (excluding Formosa) ($57,267,774)	Swine	2,803,351	46,729,599	63,634,623
	Poultry, live	2,693,175	16,385,704	17,677,814
	Eggs in the shell	29,380,087	36,483,398	31,889,236
	Fresh water fish, fresh, chilled or frozen	986,951	7,670,252	7,634,883
	Macaroni, spaghetti, noodles, vermicelli and similar preparations	2,074,300	10,781,695	8,078,100
	Beans, dried (except soya beans)	5,311,110	39,082,290	28,830,206
	Crude vegetable products used chiefly as materials for human food	2,652,889	8,704,608	5,758,717
	Fresh vegetables	1,205,889	12,897,376	20,689,930
	Vegetables, dehydrated	1,466,061	5,329,528	4,082,448
	Vegetables, preserved or prepared, not in airtight containers	1,104,559	8,618,917	8,874,259
	Tea	1,156,196	101,134,808	6,762,291
	Silk waste	1,248,320	4,039,659	335,105
	Raw silk (not thrown)	1,432,370	7,477,079	3,466,364
	Pine resin	1,082,750	7,518,995	1,793,213
	Plants, seeds, flowers and parts of plants, for use in medicines or perfumery	6,389,276	40,948,888	27,415,079
	Tung oil	1,580,294	27,743,105	40,657,783
	Pharmaceutical products (other than of Chinese manufacture)	1,135,108	19,648,088	756,160
	Fabrics, wholly of silk	1,052,544	10,879,325	6,450,232
	Bed linen, table linen and kitchen linen	1,557,652	13,788,013	2,773,656
Formosa ($5,475,330)	Preserved fruits	514,198	1,226,266	802,499
	Sugar, refined	2,357,390	36,375,728	4,487,260
	Tea	1,350,043	7,767,587	13,702,937
	Brass scrap and bronze scrap	307,400	598,400	575,540
	Seagrass	175,910	846,155	—
	Essential vegetable oils (excluding cassia oil)	150,934	1,136,583	2,887,715
Indochina ($1,381,606)	Edible nuts	185,896	342,966	233,682
	Beans, dried (except soya beans)	419,095	634,036	1,854,399
	Sesamum seed	123,297	244,771	825,962
	Feathers and downs	186,519	3,222,413	8,958,360
	Bags and sacks for packing (other than gunny bags and paper bags)	139,358	156,469	—
	Carpets, carpeting, floor rugs, mats and matting of vegetable plaiting materials	174,906	258,041	—

Country and total value of imports		Imports Aug., 1953	Total imports Jan./ Aug., 1953	Total imports Jan./ Aug., 1952
		$	$	$
Indonesia ($1,563,042)	Bovine cattle, including buffaloes	267,241	1,451,977	1,213,176
	Sesamum seed	245,920	245,920	—
	Rattan canes, core and peel	194,334	6,199,415	3,431,992
	Coal	496,016	3,479,020	2,103,809
	Groundnut oil	103,800	220,800	1,066,095
Japan ($37,170,442)	Cuttle fish	521,758	5,825,958	12,776,545
	Crustacea and molluscs, salted, dried or pickled	423,664	3,428,738	3,956,805
	Wheat flour	301,926	929,396	—
	Potatoes	791,314	3,009,074	2,960,381
	Mushrooms, dried	1,116,882	6,538,033	6,123,714
	Coal	396,962	396,962	—
	Cotton yarns	701,673	3,201,162	6,334,893
	Shirtings, grey (unbleached)	2,262,541	6,326,046	11,670.245
	Sheetings, grey (unbleached)	597,968	2,288,253	18,609,183
	Drills, ducks, jeans and mattings (white or dyed)	521,660	2,674,506	4,755,092
	Shirtings, white	2,283,968	8,459,545	9,274,759
	Poplins	862,410	1,633,922	5,947,809
	Fabrics, wholly of wool or fine hair	636,531	3,562,490	523,983
	Fabrics of synthetic fibres and spun glass	3,758,024	27,123,252	40,985,985
	Blankets and travelling rugs	492,133	1,660,431	983,689
	Towels	331,394	1,313,710	1,222,038
	Cement	2,597,516	14,579,122	12,760,802
	Chinaware and porcelain ware	381,076	3,683,630	12,014,080
	Plates and sheets, zinc coated (galvanized)	456,255	19,234,829	5,591,730
	Textile machinery	480,685	3,243,349	2,872,554
	Sewing machines	800,279	6,476,082	3,011,511
	Bicycle parts	1,569,461	5,694,292	1,959,378
	Fountain pens, propelling pencils, etc.	339,338	2,555,020	4,451,263
Korea, South ($1,470,164)	Crustacea and molluscs, salted, dried or pickled	215,794	1,103,854	1,388,353
	Edible marine vegetables	150,760	3,404,173	—
	Graphite, natural	270,000	521,100	32,400
	Prepared paints	655,123	958,143	—
Macao ($4,855,162)	Poultry, live	661,296	5,350,781	7,335,937
	Fresh water fish, fresh, chilled or frozen	485,926	3,263,947	34,220
	Salt/dried fish	100,241	539,360	232,054
	Crustacea and molluscs, fresh, chilled or frozen	182,520	1,421,297	777,156
	Fresh vegetables	152,708	3,459,311	2,915,123
	Distilled alcoholic beverages, Chinese type	209,727	1,746,318	2,404,571
	Tobacco leaf	143,742	623,181	102,551
	Pharmaceutical products (other than of Chinese manufacture)	404,545	4,126,057	2,084,599
	Medicinal and pharmaceutical products of Chinese manufacture	437,047	2,091,435	1,451,671
	Fireworks	498,689	5,563,097	4,439,717
	Joss sticks	138,806	1,429,365	832,266
Thailand ($30,925,052)	Bovine cattle, including buffaloes	255,830	397,470	—
	Rice, white (other than broken)	12,363,261	101,043,683	85,991,630
	Rice, white (broken)	12,804,847	76,780,063	35,591,641
	Rice, glutinous	265,680	2,898,820	3,545,417
	Beans, dried (except soya beans)	923,480	1,851,317	841,024
	Flour and flakes of potatoes, fruits and vegetables	124,708	1,706,037	2,860,266
	Spices, except pepper and pimento	174,905	693,956	640,845
	Hides, undressed	1,490,250	2,233,183	66,000
	Groundnuts in shell	118,020	838,300	654,603
	Groundnuts, shelled	313,929	2,510,057	3,645,981
	Soya beans	274,323	285,930	73,730
	Teakwood conversions and squares	773,438	6,950,518	4,007,294
	Plants, seeds, flowers and parts of plants, for use in medicines or perfumery	277,602	1,060,101	868,900
Belgium ($2,927,772)	Wool tops	177,945	177,945	—
	Pharmaceutical products (other than of Chinese manufacture)	157,212	5,616,522	169,235
	Carbon rods and electrodes	111,225	111,225	—
	Diamonds, cut and polished, unset	668,094	8,079,032	7,524,746
	Iron and steel bars and rounds	127,644	180,010	210,311
	Zinc plates and sheets (wrought)	412,623	2,192,613	1,701,747
	Finished structural parts made of iron and steel	342,846	1,104,383	845,295

Country and total value of imports		Imports Aug., 1953	Total imports Jan./ Aug., 1953	Total imports Jan./ Aug., 1952
		$	$	$
Denmark ($535,320)	Pharmaceutical products (other than of Chinese manufacture)	160,990	6,750,956	887,830
	Beer	140,015	1,028,342	1,536,892
France ($1,771,635)	Brandy	347,761	2,212,350	2,115,605
	Perfumery	102,959	578,592	1,086,588
	Cigarette paper	122,273	463,352	995,393
	Iron and steel wire rods, coated or not	107,755	189,275	—
	Iron and steel wire, not barbed	100,227	429,327	—
Germany (Western) ($9,329,445)	Coal-tar dyestuffs, other than indigo	213,260	24,140,120	4,120,450
	Pharmaceutical products (other than of Chinese manufacture)	570,456	31,473,308	5,406,319
	Leather	119,000	970,833	604,405
	Common packing and wrapping paper	482,596	1,864,039	464,972
	Yarn and thread of synthetic fibres and spun glass	200,000	487,735	14,478
	Copper and copper alloy plates and sheets, wrought	132,073	376,331	56,952
	Hand tools	483,807	7,513,808	10,165,463
	Office machines (except typewriters)	716,726	4,051,847	989,415
	Conveying, hoisting, excavating, road construction and mining machinery	311,087	1,423,409	1,192,380
	Electric apparatus for medical purposes and radiological apparatus	675,414	11,607,377	3,366,843
	Optical instruments and appliances	642,787	11,235,211	1,035,508
	Photographic and cinematographic apparatus and appliances	375,951	2,459,681	3,861,564
	Surgical, medical and dental instruments and appliances	168,511	3,355,411	1,867,260
	Measuring, controlling and scientific instruments, n.e.s.	300,531	3,270,198	4,107,608
	Watches and watch movements	977,930	6,100,006	401,211
	Clocks, clock movements, and parts	173,059	555,476	418,679
Italy ($3,038,341)	Cotton yarns	606,261	6,029,555	21,186,192
	Woollen suitings, tweeds and worsteds	121,344	247,885	469,896
	Fabrics of wool or fine hair mixed with other textile fibres	615,565	1,544,983	309,273
	Fabrics of synthetic fibres and spun glass	401,262	2,415,783	736,185
	Office machines (except typewriters)	246,057	3,075,697	1,289,747
	Optical instruments and appliances	115,700	1,175,142	52,192
Netherlands ($7,904,978)	Milk, evaporated	104,076	2,439,547	2,416,158
	Milk, condensed	1,163,235	8,124,099	7,160,732
	Fish, fish products, crustacea and molluscs, in airtight containers	130,102	516,880	73,416
	Flour and flakes of potatoes, fruits and vegetables	122,640	1,111,522	541,838
	Beer	227,161	1,778,980	2,410,175
	Plasticers and solvents	160,336	200,019	—
	Coal-tar dyestuffs, other than indigo	461,531	1,750,127	257,884
	Indigo, natural and synthetic	1,489,400	1,495,800	—
	Pharmaceutical products (other than of Chinese manufacture)	359,635	24,149,177	2,547,421
	Leather	111,660	1,476,360	2,450,708
	Cotton yarns	572,913	4,722,041	2,968,855
	Yarn and thread of synthetic fibres and spun glass	200,000	200,000	—
	Shirtings, white	162,878	1,573,646	578,891
	Fabrics of synthetic fibres and spun glass	260,052	954,563	1,184,922
	Radio apparatus	198,491	1,075,656	644,839
Norway ($1,011,284)	Newsprint paper	534,187	3,506,826	7,752,332
	Printing and writing papers in rolls and sheets other than newsprint	154,121	572,870	2,224,013
Sweden ($2,596,393)	Fibreboards	168,584	889,129	738,393
	Newsprint paper	149,111	1,001,624	1,761,013
	Printing and writing papers in rolls and sheets other than newsprint	476,300	1,823,185	2,335,762
	Common packing and wrapping paper	766,770	4,077,653	6,184,403
	Paperboard	338,961	1,911,870	630,820
Switzerland ($3,639,466)	Coal-tar dyestuffs, other than indigo	558,409	3,686,470	1,728,633
	Watches and watch-movements	2,459,950	53,173,813	56,656,241

PRINCIPAL EXPORTS FROM HONGKONG DURING AUGUST 1953

With Cumulative Totals for the Year & Comparative Totals for the Corresponding Period of 1952

Country and total value of exports		Exports Aug., 1953	Total exports Jan./ Aug., 1953	Total exports Jan./ Aug., 1952
		$	$	$
United Kingdom ($7,737,721)	Ginger, preserved in syrup, in airtight containers	122,888	968,895	260,557
	Ginger, preserved in syrup, not in airtight containers	150,163	1,638,846	2,195,468
	Hides, undressed	198,796	1,556,499	1,330,642
	Bristles	157,180	4,003,032	76,230
	Tung oil	255,965	14,245,655	7,878,013
	Pharmaceutical products (other than of Chinese manufacture)	168,324	529,094	504,978
	Drills, ducks, and jeans grey (unbleached), locally manufactured	192,375	506,916	1,306,828
	Towels not embroidered	115,243	533,709	17,000
	Electric torches of local manufacture	286,798	1,110,096	1,177,457
	Shirts of local manufacture	493,205	1,900,579	576,693
	Outerwear other than knitted	201,792	3,339,663	427,537
	Gloves and mittens of all materials	942,979	2,710,870	656,639
	Footwear, wholly or chiefly of textile materials, with rubber soles, of local manufacture	148,960	8,413,437	6,695,944
	Rubber footwear of local manufacture	1,705,872	5,520,348	1,358,196
	Buttons and studs of all materials except those of precious metals	486,332	3,320,397	878,688
	Toys and games	116,596	1,038,955	406,134
Australia ($3,747,320)	Rattan canes, core and peel	222,957	801,917	362,132
	Tung oil	432,300	3,040,987	1,140,245
	Drills, ducks, and jeans (white or dyed)	252,170	631,245	162,942
	Bed linen, table linen and kitchen linen	363,240	1,899,799	784,046
Canada ($1,489,371)	Bristles	154,662	614,443	362,000
	Gloves and mittens of all materials	169,532	436,143	51,530
Ceylon ($862,299)	Shirts of local manufacture	438,288	2,271,851	400,910
India ($1,260,755)	Plants, seeds, flowers and parts of plants, for use in medicines or perfumery	256,977	3,505,411	409,239
	Pharmaceutical products (other than of Chinese manufacture)	574,861	1,848,793	172,378
	Electric torches of local manufacture	224,039	5,728,541	5,855,454
Malaya ($23,555,003)	Eggs in the shell	856,102	11,913,965	9,233,752
	Macaroni, spaghetti, noodles, vermicelli and similar preparations	325,311	2,996,089	2,108,552
	Fruits, locally prepared or preserved	521,664	4,483,102	2,929,872
	Beans (other than soya beans)	483,008	9,765,769	10,043,370
	Crude vegetable products used chiefly as materials for human food	936,267	2,531,159	772,841
	Vegetables, preserved or prepared, not in airtight containers	1,116,192	8,713,962	12,090,778
	Beet sugar and cane sugar, refined	324,830	6,875,374	10,576,142
	Plants, seeds, flowers and parts of plants, for use in medicines or perfumery	1,489,757	10,929,949	11,324,168
	Medicinal and pharmaceutical products of Chinese manufacture	738,736	5,160,459	5,880,546
	Cotton singlets, locally manufactured	1,537,282	16,651,068	19,586,546
	Shirts of local manufacture	498,740	3,803,208	4,070,137
	Joss sticks	516,114	3,598,888	2,928,024
North Borneo ($1,735,141)	Beet sugar and cane sugar, refined	552,486	6,658,764	287,296
	Cement	188,678	708,927	1,034,364
Pakistan ($2,989,414)	Cotton yarns	2,837,323	15,053,158	36,568,863
Egypt ($469,783)	Tobacco leaf	181,190	614,633	78,750
	Raw silk in hanks or in skeins	132,500	132,500	414,893

Country and total value of exports		Exports Aug., 1953	Total exports Jan./ Aug., 1953	Total exports Jan./ Aug., 1952
		$	$	$
U.S.A. ($5,247,376)	Macaroni, spaghetti, noodles, vermicelli and similar preparations	104,540	568,939	292,740
	Fruits, locally prepared or preserved	110,590	1,636,090	1,158,789
	Tea, China	121,948	294,018	1,197,819
	Furskins, undressed	395,447	945,991	866,946
	Cotton, waste	109,300	596,600	736,300
	Tungsten ore	322,470	2,046,551	2,509,968
	Plants, seeds, flowers and parts of plants, for use in medicines or perfumery	575,538	4,623,419	1,530,071
	Fireworks	396,793	4,055,190	3,231,070
	Electric torches of local manufacture	213,280	2,384,066	799,651
	Furniture of vegetable plaiting materials	595,585	7,617,984	8,763,399
	Gloves and mittens of all materials	581,439	1,402,893	661,655
Burma ($2,786,193)	Raw silk in hanks or in skeins	173,320	552,658	—
	Medicinal and pharmaceutical products of Chinese manufacture	107,510	1,112,221	611,640
	Cotton yarns	298,600	4,361,994	23,239,819
	Household utensils of iron and steel, enamelled, of local manufacture	157,486	1,037,785	1,359,574
	Electric torches of local manufacture	284,977	1,865,592	1,059,499
	Cotton singlets, locally manufactured	127,558	476,866	883,737
	Outerwear, knit or made of knitted fabrics	113,619	1,050,204	182,739
	Rubber footwear of local manufacture	131,170	291,073	85,170
China (excluding Formosa) ($18,886,319)	Coal-tar dyestuffs, other than indigo	1,742,440	34,420,617	9,191,769
	Pharmaceutical products (other than of Chinese manufacture)	4,709,400	152,193,003	44,289,485
	Electric apparatus for medical purposes and radiological apparatus	1,399,423	13,278,178	4,457,249
Formosa ($7,673,896)	Milk, condensed	791,773	3,880,182	4,894,600
	Milk, dried	435,508	1,980,127	1,517,250
	Beans, dried (except soya beans)	1,388,630	8,833,397	14,147,011
	Pine resin	148,052	581,482	329,568
	Plants, seeds, flowers and parts of plants, for use in medicines or perfumery	629,716	5,364,925	4,944,066
	Coal-tar dyestuffs, other than indigo	284,386	2,697,815	2,811,576
	Pharmaceutical products (other than of Chinese manufacture)	455,271	2,612,499	4,713,266
	Leather	105,425	1,002,100	1,960,262
Indochina ($2,881,591)	Potatoes	860,842	3,186,990	1,322,574
	Crude vegetable products used chiefly as materials for human food	288,333	1,009,792	126,099
	Sheep's and lambs' wool, scoured	137,973	249,443	84,623
	Plants, seeds, flowers and parts of plants, for use in medicines or perfumery	233,086	2,997,073	3,569,918
	Aircraft engines	101,000	822,250	398,270
Indonesia ($21,387,915)	Crude vegetable products used chiefly as materials for human food	451,740	1,183,121	19,868
	Plants, seeds, flowers and parts of plants, for use in medicines or perfumery	562,855	3,599,280	6,265,366
	Cotton yarns	1,354,593	4,169,350	26,784,570
	Shirtings, grey not locally manufactured	516,480	2,798,084	5,350,817
	Sheetings, grey, not locally manufactured	4,021,810	64,063,754	3,904,260
	Drills, ducks and jeans (white or dyed)	1,229,213	10,231,447	44,759,328
	Cement	716,000	3,111,709	—
	Plate and sheets, zinc coated	430,403	2,552,272	—
	Sewing machines	453,146	3,635,717	348,612
	Bicycle parts	1,528,210	5,631,980	1,922,646
Japan ($12,385,601)	Fruits, not locally preserved or prepared	267,728	501,449	—
	Beans, dried (except soya beans)	1,442,584	5,133,799	5,398,879
	Soya beans	1,818,065	13,589,282	133,100
	Sesamum seed	572,174	7,616,334	2,541,993
	Silk wastes	1,318,383	3,297,840	170,029
	Raw silk in hanks or in skeins	215,720	837,403	157,257
	Fine animal hair suitable for spinning, other than wool	601,400	5,610,925	583,345
	Ramie and ramie tow and waste	207,376	4,176,246	2,426,130

Country and total value of exports		Exports Aug., 1953	Total exports Jan./ Aug., 1953	Total exports Jan./ Aug., 1952
		$	$	$
	Iron ore	732,926	4,516,263	3,877,862
	Scrap, iron and steel	669,855	8,187,189	5,918,577
	Brass scrap and bronze scrap	349,199	2,225,305	335,594
	Tung oil	312,933	5,266,193	970,387
	Lacquer and varnishes, not locally manufactured	259,900	3,514,541	3,722,388
	Fabrics, wholly of wool or fine hair (except woollen suitings, tweeds and worsteds)	469,870	1,228,622	721,798
	Motor cars	415,322	3,108,845	500,290
Korea, South ($3,186,641)	Beans, dried (except soya beans)	168,286	966,151	131,084
	Beet sugar and cane sugar, refined	238,038	4,604,910	2,370,912
	Molasses, inedible	118,100	515,300	—
	Soya beans	320,485	3,244,796	—
	Sesamum seed	197,144	719,796	—
	Pine resin	197,144	719,122	—
	Coal-tar dyestuffs, other than indigo	118,824	422,487	11,820
	Pharmaceutical products (other than of Chinese manufacture)	101,437	1,517,471	1,582,383
	Newsprint paper	197,547	1,443,543	965,104
	Yarns of wool or hair, put up for retail sale	685,009	1,840,089	518,981
	Cotton yarns	121,905	3,962,511	3,630,620
	Motor cars	100,675	348,464	37,500
Macao ($5,439,094)	Eggs in the shell	101,148	811,905	809,459
	Rice, white (other than broken)	197,187	864,787	—
	Wheat flour	143,038	1,834,536	2,323,714
	Beet sugar and cane sugar, refined	658,969	2,943,221	2,424,373
	Cigarettes not locally manufactured	117,585	1,391,988	582,174
	Groundnut oil	159,913	1,310,467	1,207,775
	Pharmaceutical products (other than of Chinese manufacture)	173,360	11,485,272	2,660,708
	Medicinal and pharmaceutical products of Chinese manufacture	237,928	2,140,563	2,328,091
	Stockings and hose	100,790	416,668	526,836
Philippines ($3,729,849)	Crude vegetable products used chiefly as materials for human food	159,633	631,684	75,881
	Coffee, roasted, including ground	129,005	2,793,798	1,013,680
	Tobacco leaf	110,389	409,856	410,515
	Cotton yarns	454,044	2,237,427	1,109,896
	Sheetings, grey, locally manufactured	289,750	361,980	1,128,628
	Drills, ducks, jeans and mattings (white or dyed)	152,810	1,183,462	163,474
Thailand ($22,586,145)	Wheat flour	176,574	441,134	153,200
	Macaroni, spaghetti, noodles, vermicelli and similar preparations	108,151	978,630	545,536
	Fruits, not locally preserved or prepared	136,671	959,983	490,343
	Fruits, locally prepared or preserved	603,893	3,597,599	3,005,374
	Crude vegetable products used chiefly as materials for human food	1,000,597	3,121,982	434,218
	Vegetables dehydrated	150,669	804,874	1,090,644
	Vegetables, preserved or prepared, not in airtight containers	248,750	2,371,777	3,965,592
	Feathers and downs	452,720	2,509,444	2,226,720
	Seeds for planting	108,750	262,102	145,276
	Prepared paints, locally manufactured	284,155	1,978,839	1,489,604
	Pharmaceutical products (other than of Chinese manufacture)	295,885	1,863,933	2,286,932
	Medicinal and pharmaceutical products of Chinese manufacture	412,603	2,013,072	3,074,413
	Cotton yarns	535,785	5,005,938	9,998,813
	Drills, ducks, and jeans, grey, not locally manufactured	155,979	909,160	718,299
	Shirtings, grey, not locally manufactured	455,488	1,220,420	5,286,825
	Shirtings, white	490,168	2,631,540	6,118,497
	Drills, ducks, jeans and mattings (white or dyed)	185,230	1,392,555	3,287,050
	Poplins	521,056	1,176,427	2,067,218
	Fabrics, wholly of silk	113,745	542,910	575,681
	Fabrics of synthetic fibres and spun glass	327,093	1,072,117	6,008,984
	Cordages, cables, ropes, twines and manufactures thereof	119,861	752,046	1,055,951
	Blankets and travelling rugs	428,662	1,112,769	635,479
	Towels, not embroidered	1,032,452	4,491,600	3,683,584

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Country and total value of exports		Exports Aug., 1953	Total exports Jan./ Aug., 1953	Total exports Jan./ Aug., 1952
		$	$	$
	Chinaware and porcelain ware	384,664	2,236,504	2,059,322
	Household utensils of iron and steel, enamelled, of local manufacture	1,324,323	5,758,053	7,374,142
	Household utensils of base metals except iron, steel, aluminium	423,026	442,098	56,710
	Electric torches of local manufacture	114,208	687,175	1,160,899
	Stockings and hose	175,257	1,699,845	2,008,195
	Cotton singlets, locally manufactured	1,560,595	8,343,615	15,605,269
	Shirts of local manufacture	2,033,925	7,444,310	1,514,797
	Footwear, wholly or mainly of leather	929,931	5,433,953	457,745
	Brooms and brushes of all materials	150,594	834,296	641,541
Denmark ($357,112)	Shirts of local manufacture	115,015	522,463	—
France ($748,069)	Raw silk in hanks or in skeins	100,060	2,635,152	441,298
	Aniseed oil	266,968	1,330,789	484,410
	Essential vegetable oils	112,009	707,234	1,343,985
Germany (Western) ($2,040,829)	Beans, dried (except soya beans)	614,824	819,672	—
	Edible marine vegetables	119,215	692,474	—
	Feathers and downs	534,430	3,446,087	2,136,268
Italy ($204,148)	Pharmaceutical products (other than of Chinese manufacture)	111,020	314,245	2,560
Netherlands ($1,099,701)	Feathers and downs	268,075	271,587	—
Norway ($411,825)	Feathers and downs	233,594	1,577,941	2,408,486
	Tung oil	124,000	177,760	321,153

(Continued from Page 405)

certificates issued 30,769 and revenue collected $7,031,464.

Supplies—Supplies of rice, sugar and frozen meat continued to be procured on Government account. Imports during the month of Government and commercial rice from Bangkok and Saigon totalled 33,857 tons.

During the month the issue of new rice ration cards to those persons who had not hitherto held them was completed on the Island and is continuing on the mainland. The first stage of renewing existing cards has also been completed.

The shortage of locally slaughtered pork resulted in some increase in sales of Government procured frozen meat, wholesale prices of which were generally raised on September 4 to cover higher purchase costs, etc.

Coal stocks are adequate for local use and bunkering. Supplies of firewood continue to be satisfactory. Commercial imports from all sources amounted to 6,874 tons.

Trade Advisory Committee—A meeting was held on August 20 at which the following matters were discussed:— additions to Controlled Sales Schedule, the repudiation by China of pharmaceutical purchases, and Hongkong's participation in the British Exhibition at Copenhagen in 1955 and in the Third International Trade Fair in Seattle in 1954.

The main business of the meeting concerned the future composition of this Committee with a view to forming an advisory body more representative of the Colony's business interests and industrial activities.

Other topics included Japan trade, additions to the list of commodities for which the U.S.A. Authorities had agreed to issue import licences, and the Tourist Trade.

WHEELOCK MARDEN & COMPANY, LIMITED

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HONGKONG'S SHIPPING IN AUGUST

OCEAN STEAMERS

	Arrivals				Departures			
	No.	Tonnage	Cargo (Tons)	Passengers	No.	Tonnage	Cargo (Tons)	Passengers
British	122	354,591	70,292	1,092	121	346,849	34,936	1,448
American	20	106,957	19,391	219	20	106,957	1,694	490
Chinese	15	13,111	17,618	—	15	13,267	8,600	—
Danish	16	53,105	7,714	106	18	59,869	4,860	11
Dutch	17	82,494	8,699	422	16	77,537	7,655	666
Finnish	1	2,950	—	—	1	2,950	—	—
French	6	32,835	243	108	5	31,183	1,142	101
German	3	4,988	4,645	—	2	4,476	350	—
Italian	2	10,197	721	95	2	10,197	75	84
Indian	2	8,547	—	—	2	8,547	—	—
Japanese	37	79,887	11,316	4	32	75,788	5,666	—
Norwegian	31	78,986	51,360	152	31	78,805	12,399	212
Panamanian	15	27,442	17,002	10	17	27,238	9,310	7
Philippine	7	15,619	2,023	—	7	15,619	1,900	7
Portuguese	3	12,438	70	—	3	12,438	550	8
Swedish	6	15,753	1,748	13	7	19,624	1,560	9
Total Foreign	181	545,309	142,550	1,129	178	544,490	55,761	1,595
Total	303	899,900	212,842	2,221	299	891,339	90,697	3,043

RIVER STEAMERS

British	89	80,057	1,593	32,654	89	80,057	2,204	33,550
Total	89	80,057	1,593	32,654	89	80,057	2,204	33,550

August 1953:

Ocean Steamers in & out, 602; tonnage 1,791,239; cargo 303,539 tons; passengers 5,264.

River Steamers, 178; tonnage 160,114; cargo 3,797 tons; passengers 66,204.

Grand total: Ocean & River Steamers, 710; tonnage 1,951,353; cargo 307,336 tons; passengers 71,468.

HONGKONG JUNKS

August 1953

Foreign Trade Conducted by Junks and Launches of 60 Registered Tons and under.

JUNKS

1953	No. of Vessels Inward	No. of Vessels Outward	Reg. Tonnage of vessels Inward	Reg. Tonnage of vessels Outward	Dead Weight Tonnage of Cargo Inward	Dead Weight Tonnage of Cargo Outward	No. of Passengers Inward	No. of Passengers Outward
August	775	794	55,573	57,085	33,633	6,070	—	—
July	788	782	54,938	54,976	30,040	8,623	—	—
	—13	+12	+635	+2,109	+3,593	—2,553	—	—

LAUNCHES

1953								
August	219	210	5,695	5,722	1,992	115	—	—
July	185	189	4,600	4,677	1,223	88	—	—
	+34	+21	+1,095	+1,045	+769	+27	—	—

Total Vessels entered & cleared July	1,944	119,191	N.R. Tons
" " " " August	1,998	124,075	
	+54	+4,884	
Total Cargo discharged & loaded July	39,974		D.W. Tons
" " " " August	41,810		
	+1,836		

Jan.-August 1953—Foreign Trade:
Vessels entered & cleared 15,977 of 979,962 N.R. Tons.
Cargo discharged & loaded 341,853 D.W. Tons.

Monthly Averages 1952:
Vessels entered & cleared 1,922 of 138,856 N.R. Tons.
Cargo discharged & loaded 38,972 D.W. Tons.

Local Trade Conducted by Junks and Launches of 60 Registered Tons and under.

JUNKS

1953	No. of Vessels Inward	No. of Vessels Outward	Reg. Tonnage of vessels Inward	Reg. Tonnage of vessels Outward	Dead Weight Tonnage of Cargo Inward	Dead Weight Tonnage of Cargo Outward	No. of Passengers Inward	No. of Passengers Outward
August	1,221	1,234	35,017	36,219	29,877	5,310	—	—
July	1,183	1,171	34,799	34,741	27,855	5,786	—	—
	+38	+63	+218	+1,478	+2,022	—476	—	—

LAUNCHES

1953								
August	662	684	10,648	10,674	248	459	51,642	51,914
July	532	532	9,646	9,635	223	433	45,308	40,720
	+130	+152	+1,002	+1,039	+25	+26	+6,334	+11,194

Total Vessels entered & cleared July	3,418	88,821	N.R. Tons
" " " " August	3,801	92,558	
	+383	+3,737	
Total Cargo discharged & loaded July	34,297		D.W. Tons
" " " " August	35,894		
	+1,597		

Jan.-August 1953—Local Trade:
Vessels entered & cleared 27,876 of 726,184 N.R. Tons.
Cargo discharged & loaded 265,176 D.W. Tons.

Monthly Averages 1952:
Vessels entered & cleared 3,695 of 137,089 N.R. Tons.
Cargo discharged & loaded 41,864 D. W. Tons.

HK SHIPPING FOR JANUARY-AUGUST 1953

Ocean Steamers

HONGKONG AVIATION RETURN

Grand total: Ocean & River Steamers, 710; tonnage 1,951,353; cargo 307,336 tons; passengers 71,468.

Vessels entered & cleared 3,695 of 137,089 N.R. Tons.
Cargo discharged & loaded 41,864 D. W. Tons.

HK SHIPPING FOR JANUARY-AUGUST 1953

Ocean Steamers

1953	Steamers In	Steamers Out	Tonnage In	Tonnage Out	Cargo (Tons) In	Cargo (Tons) Out	Passengers In	Passengers Out
Jan.	272	275	798,179	790,016	216,141	112,801	987	2,157
Feb.	268	263	774,622	777,714	270,035	127,971	1,348	2,316
Mar.	299	300	894,655	876,023	286,075	119,185	1,395	2,208
Apr.	295	291	883,280	867,454	266,667	129,969	1,845	2,509
May	282	292	851,569	885,712	219,020	115,438	1,522	2,795
June	300	307	821,145	826,486	214,074	109,925	1,982	2,325
July	307	304	819,805	822,730	240,279	117,540	1,226	3,033
Aug.	303	299	899,903	891,399	212,842	90,697	2,221	3,043
	2,335	2,331	6,743,158	6,737,534	1,925,133	923,526	12,476	20,386

River Steamers

Jan.	105	105	82,275	83,368	1,994	2,711	26,230	27,394
Feb.	83	83	74,581	74,581	2,011	2,590	29,639	80,211
Mar.	115	116	92,718	93,256	3,141	2,462	29,496	29,172
Apr.	96	96	81,803	81,366	2,118	2,530	31,670	32,464
May	121	121	84,474	84,474	2,834	2,478	31,324	28,406
June	102	103	76,611	76,712	2,074	1,557	31,345	26,511
July	93	93	83,452	83,452	1,410	2,141	27,979	29,773
Aug.	89	89	80,057	80,057	1,593	2,204	32,654	33,550
	804	806	655,971	657,266	17,175	18,673	240,337	287,481

Jan.-August 1953:

Ocean steamers in & out 4,666; tonnage 13,480,692; cargo 2,848,659 tons; passengers 32,862.

River steamers 1,610; tonnage 1,313,237; cargo 35,848 tons; passengers 527,818.

Grand total: Ocean & River steamers 6,276; tonnage 14,793,929; cargo 2,884,507 tons; passengers 560,680.

HK Monthly Shipping Averages 1948 to 1952

	Steamers (In & Out) Ocean No.	Ocean Tonnage	River No.	River Tonnage	Passengers Ocean In	Ocean Out	River In	River Out
1948	470	1,310,976	598	246,172	23,583	19,547	37,529	29,769
1949	620	1,652,835	673	331,492	21,952	21,564	48,496	52,620
1950	567	1,532,799	554	415,312	10,331	9,066	63,887	65,333
1951	478	1,328,977	352	303,861	2,871	4,532	36,708	38,335
1952	484	1,434,801	296	231,025	1,513	3,898	43,005	48,379

	Cargo (Tons) Ocean Discharged	Ocean Loaded	River Discharged	River Loaded
1947	187,552	71,047	7,488	7,369
1948	193,416	87,849	9,042	7,456
1949	272,418	128,034	8,291	10,404
1950	311,160	185,732	7,893	8,943
1951	259,735	139,513	3,352	7,321
1952	246,565	114,585	2,158	2,903

Highest & Lowest Ocean Cargo 1948-1952 (in tons):

	Discharged Highest		Discharged Lowest		Loaded Highest		Loaded Lowest	
1948	Mar.	241,574	Nov.	138,922	Dec.	122,684	Oct.	57,988
1949	Dec.	377,034	Feb.	179,805	Sept.	158,697	Feb.	16,461
1950	Jan.	443,678	Aug.	252,428	Dec.	228,730	Feb.	123,112
1951	May	339,539	Nov.	208,717	Feb.	199,610	Sept.	104,071
1952	Dec.	324,925	Oct.	182,495	Jan.	140,639	Apr.	93,158

HONGKONG AVIATION RETURN

For August 1953

	DEPARTURES Passenger	Mail (Kilos)	Freight (Kilos)	ARRIVALS Passenger	Mail (Kilos)	Freight (Kilos)
United Kingdom	116	2,545	2,440	74	4,323	3,518
Europe	80	841	1,510	15	787	2,663
Middle East	105	316	462	70	278	1,462
Calcutta	43	214	869	49	266	148
Rangoon	40	432	4,607	47	234	190
Singapore	322	4,265	8,760	364	3,767	5,777
Bangkok	372	1,855	13,076	394	1,767	4,886
Indochina	293	335	3,623	374	211	5,881
Philippines	642	860	8,834	759	484	3,896
Japan	630	5,745	12,711	717	3,296	3,185
U.S.A.	145	2,191	5,201	34	3,181	5,302
Australia	68	276	1,244	39	141	528
Formosa	422	1,088	50,808	568	1,048	3,224
Honolulu	52	62	175	8	221	50
Canada	187	355	251	21	89	115
Pusan	2	24	4,741	11	15	159
Total	3,519	21,404	119,312	3,544	20,108	40,984

Total Aircraft Departure 209
Total Aircraft Arrival 210

August 1953:

Aircraft out & in 419; Passengers 7,063; Mail 41,512 kilos; Freight 160,296 kilos.

Jan.-Aug. 1953:

Total Aircraft 3,375; Passengers 60,193; Mail 328,271 kilos; Freight 1,612,362 kilos.

Monthly Averages 1948-1952:

	Civil Aircraft Out	Civil Aircraft In	Passengers Out	Passengers In	Mail (Kilos) Out	Mail (Kilos) In	Freight (Kilos) Out	Freight (Kilos) In
1948	—	595	9,382	9,592	13,649	13,726	100,986	42,920
1949	1,058	1,062	13,312	12,246	14,576	13,842	272,656	237,690
1950	223	223	3,452	2,722	15,803	12,767	111,645	65,912
1951	219	218	3,641	2,681	21,553	20,916	111,572	103,170
1952	216	217	3,791	3,440	20,849	17,067	130,465	80,999
1953								
January	213	209	3,481	3,307	22,576	21,610	113,859	132,624
February	194	200	3,374	3,211	22,122	17,300	88,549	96,581
March	222	217	4,050	3,783	24,584	22,870	114,774	107,807
April	197	197	4,298	4,037	22,662	16,718	109,641	64,640
May	221	225	4,173	4,094	22,916	17,089	144,294	71,206
June	214	212	4,336	3,456	20,910	17,687	142,769	58,562
July	218	217	4,040	3,490	21,762	15,953	160,654	46,106
Aug.	209	210	3,519	3,544	21,404	20,108	119,312	40,984
	1,688	1,687	31,271	28,922	178,936	149,335	993,852	618,510

FINANCE & COMMERCE

REDUCTION IN THE BANK RATE

Under date of Sept. 17, the Bank of England announced a reduction in the bank rate, the minimum rate at which the Bank discounts approved bills of exchange, from 4 per cent to 3½ per cent. This has unified the bank rate with the special rate of 3½ per cent at which the Bank lends to the money market against Treasury Bills.

The Bank's announcement recalled that the spread between these two rates was introduced in November 1951 and maintained in March 1952 to ease the transition to a more positive monetary policy.

Their unification, it said, will allow more freedom in the day to day operation of the market and will facilitate the flexible use of the bank rate in either direction as circumstances may require.

The Bank of France also announced under the same date a reduction in the discount rate from 4 per cent to 3½ per cent, while maintaining the other rates at their previous levels. The rate for advances on securities remains at 4½ per cent.

HONGKONG COMPANY MEETINGS

HONGKONG REALTY & TRUST COMPANY, LIMITED

At the annual general meeting of the Hongkong Realty & Trust Company, Limited, held last week at which shareholders representing 1,145,250 shares were present, the Chairman in his speech stated that the year under review has been marked by the decision to extend the activities of the Company to Singapore and a newly constructed office building in Singapore has actually been acquired at a cost of some nine lakhs of H.K. dollars. Leases are now being negotiated with suitable tenants and the property will be managed by a new subsidiary, Dale, Marden & Co. Ltd. which has already been incorporated in Singapore in co-operation with interests there.

Development of the East Point Property has proceeded in a satisfactory manner despite the necessity of recourse to the Tenancy Tribunal and this progress has in fact continued since the close of our year.

Property revenue generally has been maintained and one residential property has been disposed of at approximately original book cost.

Your subsidiary, Harriman Realty, had another active year and its architectural department has established itself and is fully employed and expanding.

Your other subsidiary, Oriental Mortgage and Finance Corporation, had a quieter year due to the prevailing easy money conditions which resulted in a smaller demand for loans.

Turning to the accounts, in the Profit and Loss section revenue from property working shows a small increase of some $3,000 over the previous year. Dividends from subsidiaries are substantially reduced due partly to the easier money conditions.

I should remind you that our associates, John D. Hutchison & Co. Ltd., manage directly the affairs of our two subsidiaries.

Dealing with the main variations in the Balance Sheet, our investment in the East Point Property Syndicate is shown at some 14½ lakhs at April 30. Shareholders will be interested to know that our original participation in the Syndicate was in the neighbourhood of three million dollars. As at today, the book value has been reduced to $625,000 as a result of further sales and of settlements with former occupiers. I might digress at this point to remark that such difficulties and delays as have been experienced were realistically foreseen and provided for to the full in our original plans. They are inherent in the development of congested areas under present day conditions in the Colony.

No profit has been taken in these accounts in respect of East Point but it is anticipated that the favourable outcome will be reflected in next year's Profit & Loss statement.

The amount due from the subsidiary —4½ lakhs—represents advances to Oriental Mortgage.

Sundry debtors show an increase of approximately $1,800,000 of which two lakhs represented the outstanding purchase price of the property sold which has since been collected in full and the remainder was due from parties associated with us in the East Point Syndicate and has also been collected in full.

On the other side of the Balance Sheet, the Bank overdraft shows an increase of some $3,600,000, almost all of which was incurred in financing the East Point Property venture; $3,000,000 has been repaid since the close of our year.

I think I should refer in some detail to the item—Provision for Amortisation of Properties.

As all our properties have been acquired since the reorganisation of the Company in 1948 at the values which have prevailed during the period and, in the main, let at rentals commensurate with such values, it has been considered prudent to make provision during the currency of these tenancies for a fall in values and consequently in rentals. Apart from the lease of the W.D. Flats property which, being let on a longer lease, is dealt with upon a mathematical scale and one requisitioned property on which the net annual return is only 2½ per cent, this provision has had the effect of bringing our net book values satisfactorily below prevailing market prices.

The following resolution was carried unanimously by the meeting:

That the balance on the Profit & Loss Appropriation Account available for appropriation amounting to HK$816,638 be dealt with as follows:—To pay a dividend of $0.15 per share, free of tax, out of profits liable to Corporation Profits Tax, HK$300,000; to transfer to provision for Amortisation of Property, $352,500; to Carry Forward, $164,138; total $816,638.

THE TANAH MERAH ESTATES (1916) LIMITED

At the thirty-second Ordinary General Meeting of The Tanah Merah Estates (1916) Limited held last week it was shown that the profit for the year amounted to HK$220,048 which with the amount of HK$115,546 brought forward from the previous year made the sum of HK$335,594 available for appropriation. The Directors therefore recommended the payment of a dividend of 12 cents per share amounting to HK$156,000, leaving HK$179,594 to be carried to the new account.

During the year the output of rubber showed an improvement of 101,040 lbs. bringing the year's crop to 1,001,570 lbs. thus exceeding the estimate by 51,570 lbs. The output for the year might have even been better if tappers had turned out regularly to work. It was, however, possible to keep the labour force at nearly full strength and the estimate for the current year's output is 1,000,000 lbs. The improvement in the labour situation has permitted the planting programme to be restarted after three years and 55 acres have been cleared for planting this autumn.

The sum of Mal.$83,090 was expended during the year on upkeep of new plantings and it is estimated that Mal.$63,000 will be required during the current year. During the past three years experiments have also been carried out on the planting of cocoa, but the trials have not been sufficiently encouraging to warrant a continuation of the experiment.

HONGKONG COMPANY INCORPORATIONS

The following new private companies were incorporated in Hongkong during the week ended September 12, 1953:—

Southsea Enterprise Company Limited—General merchants, manufacturers, importers, exporters, etc.; Nominal Capital, HK$200,000; Registered Office, American International Building, 2nd floor, 12-14, Queen's Road Central, Victoria, Hongkong; Subscribers: Cheng Lai Teng, 174, Nathan Road, 2nd floor, Kowloon, Merchant; Wang Yun Yu, 38, Village Road, 2nd floor, Hongkong, Merchant.

Foo Shing Loan & Mortgage Company Limited—Pawnbrokers, dealers in old clothes, jewellery and precious stone, etc.; Nominal Capital, HK$2,000,000; Registered Office, 20, Des Voeux Road Central, top floor, Victoria, Hongkong; Subscribers: Ko Yick Chim, 14, Burrow Street, Wanchai, Hongkong, Merchant; Ko Fook Son, 452, The Peak, Hongkong, Merchant.

Smith Ross (Hongkong) Limited—Export and import merchants, general traders, etc.; Nominal Capital, HK$1,000; Registered Office, Alexandra House, Victoria, Hongkong; Subscribers: Edward Charles Smith-Ross, 565, The Peak, Hongkong, Company Director; Raymond E. Moore, 60, Cameron Road, 2nd floor, Kowloon, Solicitor.

Bangkok Mercantile (Hongkong) Co., Limited—Merchants, exporters and importers, refrigerators, etc.; Nominal Capital, HK$3,000,000; Registered Office, 37, Bonham Strand West, ground floor, Victoria, Hongkong; Subscribers: Lam Peng Weng, 35, Wongneichong Road, ground floor, Hongkong, Merchant; Say Yan Long, 26, Yik Yam Street, ground floor, Hongkong, Merchant.

Zenith Traders, Limited—Importers, exporters, insurance agents, etc.; Nominal Capital, HK$150,000; Registered Office, Room No. 207, Hongkong Hotel Building, Victoria, Hongkong; Subscribers: Hung Cheung King, 56, Village Road, Hongkong, Merchant; Lee Shui Tuen, 2, Anhui Street, 1st floor, Kowloon, Merchant; Siu Ming Choi, 25, Yuk Sui Street, 1st floor, Hongkong, Merchant.

TANGKU'S NEW HARBOUR

The New Harbour at Tangku, capable of receiving 10,000-ton vessels, was opened on October 17. Situated in Pohai Bay, the harbour is 45 kilometres from Tientsin, the largest industrial city in North China, with which it is linked by road and rail. This artificial harbour of 18 square kilometres is enclosed by break-waters. In the past, only 3,000-ton vessels could sail up the shallow Haiho River which connects Tientsin with the sea. With the completion of the new harbour, North China's local products, such as coal, salt, beans, peanuts, wool, cotton, hides and marine products, are shipped directly through this port by ocean-going ships to other areas of the country and the world in exchange for industrial machines, raw materials and other products.

The Japanese started construction of this harbour in 1939. It was, however, left uncompleted when the Japanese surrendered in 1945. In August, 1951, the People's Government decided to complete the work. The builders in 15 months dredged some 17 million cubic metres of sludge, equivalent to dredging a canal 120 kilometres long, 35 metres wide and 4 metres deep. Some 106,000 cubic metres of stone work were also completed.

FISH IN CHINA

Fish catches in East China this year will top the highest previous level by 12.3%. In the first half of this year, the haul was 50% above the same period last year. More than 86,000 hectares have been added to the fishing grounds for both sea fish and fresh water fish. Some 3,400,000 people are now engaged in fishing.

Twenty-four typhoon alarm stations have been set up by the Government to serve the fishing grounds of East China. Fishing insurance is widespread.

Kwangtung Province this year will, it is estimated, get a haul of 300,000 tons of fish. The production of fry this year is already 25% higher than the pre-war level. Before the War the annual fish haul in Kwangtung Province was almost one-fourth the whole nation's catch. But in 1949, the catch in this province was only 55% of its pre-war level.

A series of measures were adopted by the People's Government to help the fishermen to revive their business. More than 53,000 million yuan have been allocated in the past three years to help them repair or buy more nets and boats, and markets for marine products were established at key centres. Over 100,000 fishermen have joined fishing producer teams or co-operatives, and more are now organising themselves to develop Kwangtung's fishing industry.

COMMUNICATIONS IN SOUTHWEST CHINA

Restoration and development of communications in Southwest China have played an important part in speeding up the flow of goods between city and countryside and improving living conditions of the population there. Communications in the mountainous areas of the Southwest are extremely difficult. In 1949, over 80% of the highways and bridges were damaged or destroyed. Shipping was also virtually brought to a standstill. In the past three years, in addition to the new 505-kilometre Chengtu-Chungking railway, the Government has built 5,000 kilometres of highways and other roads, restored 15,000 kilometres of highways and over 600 bridges and dredged 170 dangerous sand bars and rapids. The mileage of highways now in service has increased by five times, and the volume of freight transported on highways has been raised by nearly 10 times over "pre-liberation" days.

The Three Gorges of the Yangtse River, which had been a constant danger to river shipping, are now opened to night navigation. Travelling by ship from Shanghai to Chungking takes only six days where it took 10 to 15 days formerly.

Trade has been greatly stimulated. There is now a steady stream of salt, tea, cloth, fertilisers and industrial goods going to the countryside and areas inhabited by the minorities. Over 30,000 tons of fertilisers were thus sent through Chungking in the first half of this year, while in the same period the volume of consumer goods transported to the Tibetan areas of Sikang province was more than double that transported in the whole of 1950.

NOTICE

THE DAIRY FARM, ICE & COLD STORAGE CO., LTD.

Notice to Shareholders

NOTICE is hereby given that an Interim Dividend of One Dollar per share, less tax, has been declared in respect of the year ending 31st December, 1953.

This dividend will be payable on or after Wednesday, 30th September 1953, at the Registered Office of the Company, Windsor House, Hongkong, where Shareholders are requested to apply for warrants.

Notice is hereby also given that the Register of Members of the Company will be closed from Wednesday, 16th September, to Wednesday, 30th September 1953, both days inclusive.

By Order of the Board of Directors.

A. A. BREMNER,
Secretary.

Hongkong 7th Sept., 1953.

CHINESE ORANGES

The output of oranges, an important product of Szechuan Province, has reached the top pre-war level this year, thus ensuring ample supplies for other parts of the country. In the chief producing areas of Kiangtsing and Kintang, output registered an increase of 127% and 250% respectively over that of last year.

The oranges of Kiangsi Province are on the market. This year, the output of oranges in the producing areas, Nanfung, Sanhu and Suichuan, reached 7,000 tons, an increase of 150% over that of last year. Co-operatives and state-trading companies are now doing a brisk business in them.

Huangyen, Chekiang Province, is another orange-producing centre of China which this year produced a record crop. The total output will be more than 25,000 tons, surpassing the pre-war peak by more than 45%. Experts and scientists have helped the peasants in fighting pests and have introduced "advanced" Soviet methods in cultivating the orchards. Soviet "methods" are also being used to gather in the crop.

CHINA'S EGG EXPORTS

China is one of the world's greatest exporters of eggs and egg products. In the peak year of 1936, she exported a total equivalent to 2,722,080,000 fresh eggs, 47,826 tons of frozen egg products, 9,073 tons of dried egg products and 380 million fresh shell eggs. These eggs and egg products went chiefly to Great Britain, the United States, Germany, France, Belgium, Japan, the Philippines, Indonesia and other centres in the South Pacific.

This is a trade that has a considerable history. Fresh eggs, salted eggs and preserved eggs began to be exported from the country at the close of the nineteenth century. Early in the twentieth, with the development of new techniques of powdering and refrigeration, the export of dried and frozen egg products began. But owing to the ruin brought upon the national economy by the Japanese invasion of 1937-45, most of the egg processing factories in China went bankrupt and closed down. The export of egg products declined to its lowest level. This was a hard blow to the peasants of China, one of whose chief side-occupations is poultry farming.

Since 1949, China's egg production and exports have made rapid recovery. The output of fresh eggs in 1952 increased by 43 per cent compared with the normal output of the 1930's. China today can fulfil orders in excess of pre-war demands and still have supplies for a home market that is expanding. The egg processing factories have nearly all resumed operations. New methods of co-operative collection and marketing of eggs, government aid in the form of loans, tax exemptions, improved communications, etc., have all contributed to the restoration of the export trade.

One reason for the popularity of China's eggs and egg products in the world market is their rich fat content. The flocks raised in millions of separate peasant households are relatively small. They are well-tended, and there are now adequate stocks of domestic feed. One kilogramme of such eggs contains 24.88 grammes of fat compared to the 22 grammes or less in some foreign countries. In addition, China's egg products are all prepared from sterilised fresh eggs, and standards of quality, of fat content, etc., of exported products are maintained under the supervision of the Commodity Inspection and Testing Bureau of the Ministry for Foreign Trade.* This is possible because the industry is now organised under state direction.

The egg industry has been rehabilitated under state direction and assistance, is paying good profits to the processing plants which are mainly privately owned, and good prices to the small producers. New markets are being developed, and supplies are being restored to old customers by the China National Foodstuffs Export Corporation, the state organisation now handling all egg exports. China's egg products are cheap; generally, they are about 10 per cent cheaper than those produced in the United States.

* The fat content (CHCL3 extract) in exported frozen whole hen eggs must be 10-15 per cent and their acidity of fat must not exceed 4 millilitres; the fat content in the dried whole egg (powder) must be 45-50 per cent with a 4 millilitre maximum acidity of fat.

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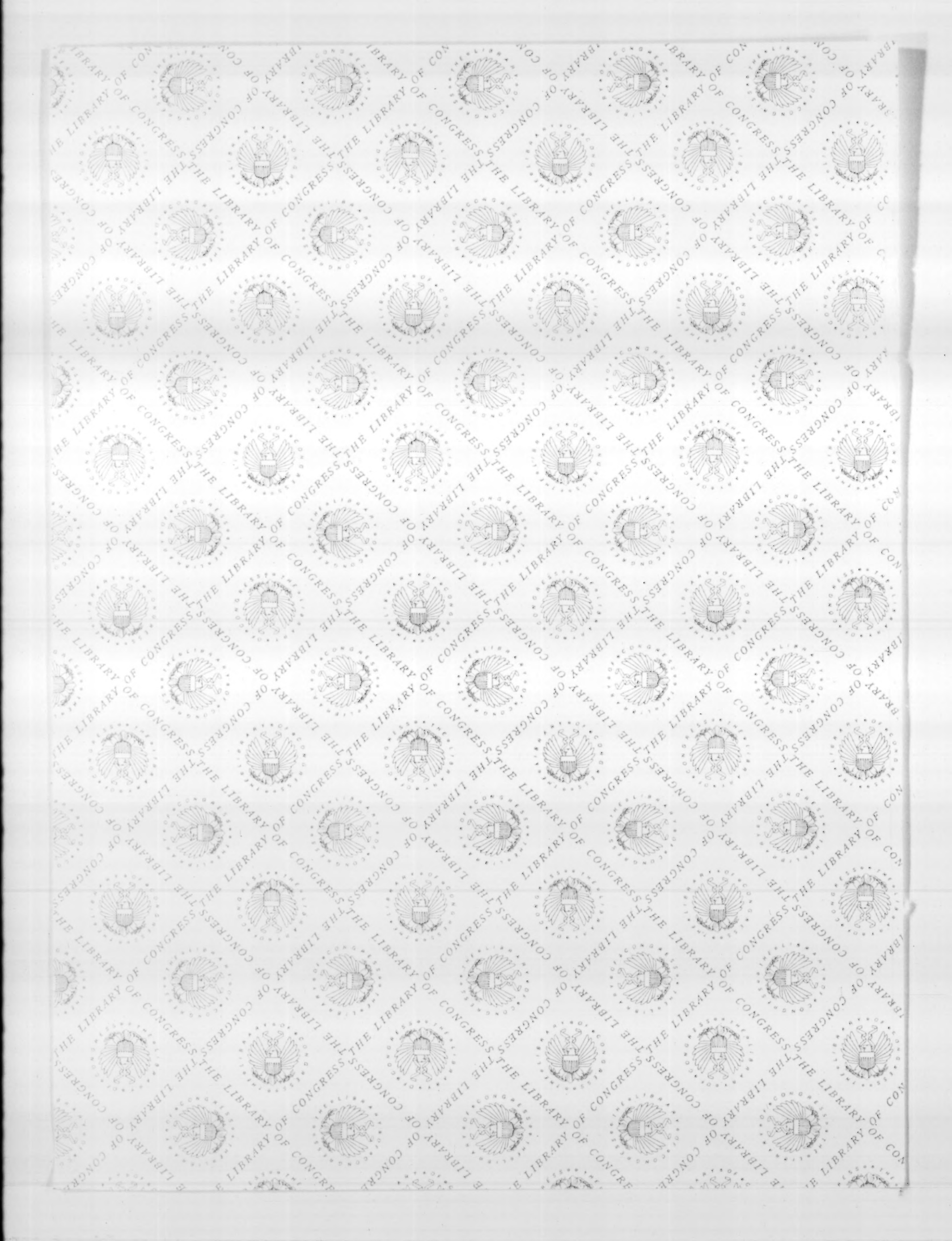
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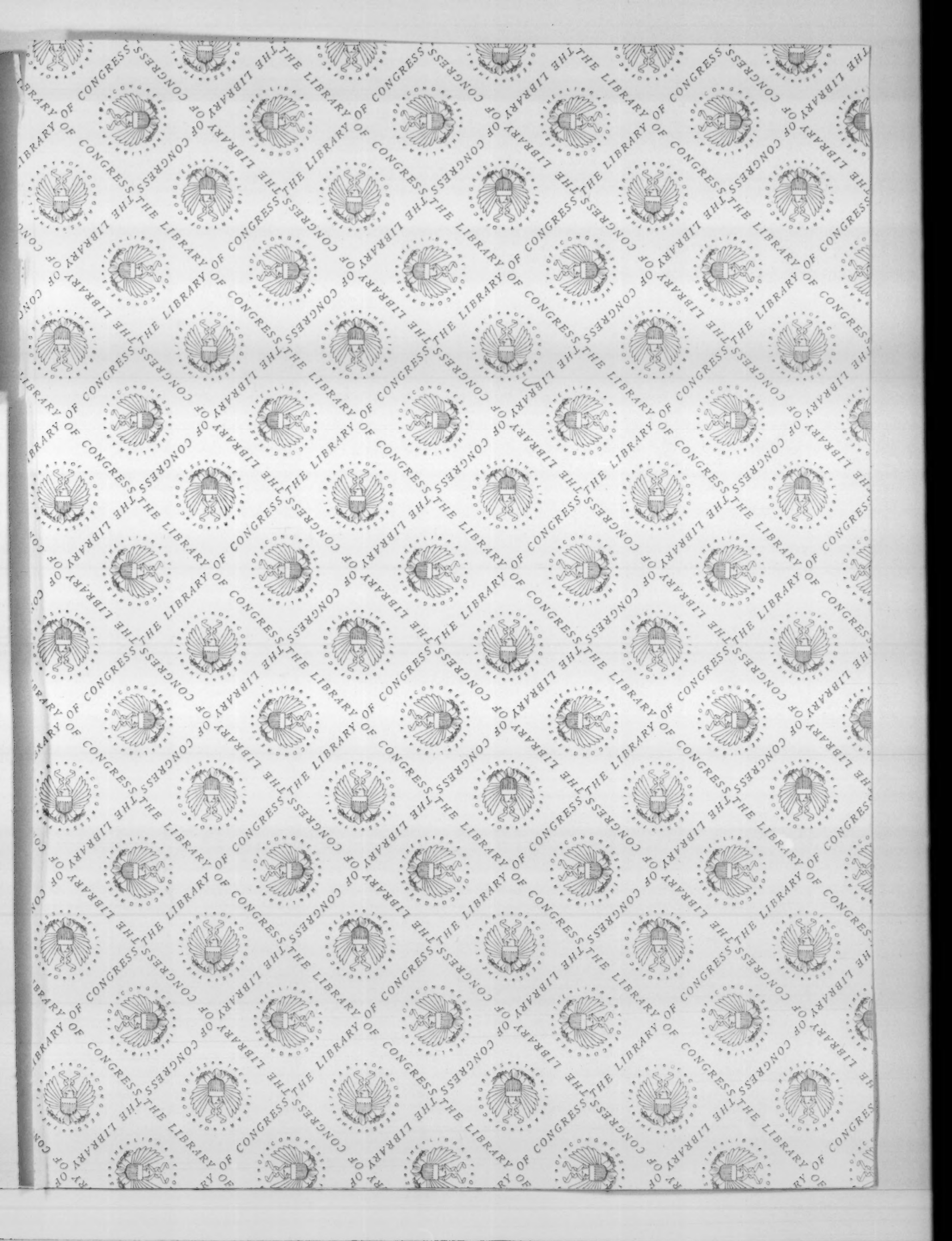
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